

The NATIONAL UNDERWRITER

THE *Crum and Forster* GROUP

FINANCIAL STATEMENT AS OF DECEMBER 31, 1949

ASSETS

	UNITED STATES FIRE INS. CO.	NORTH RIVER INS. CO.	WESTCHESTER FIRE INS. CO.	ALLEMANIA FIRE INS. CO.	U.S. BRANCH WESTERN ASSURANCE	U.S. BRANCH BRITISH AMERICA	SOUTHERN FIRE INS. CO.
Cash in Banks & Trust Companies	\$10,322,403	\$ 5,886,330	\$ 7,159,482	\$ 1,297,964	\$ 1,191,242	\$ 758,152	\$ 895,244
United States Government Bonds	34,141,908	20,804,224	21,280,975	5,163,615	5,469,686	2,754,294	1,545,846
Other Bonds and Stocks	19,840,570	14,592,775	13,489,266	2,312,606	981,854	1,034,168	1,421,677
Mortgage Loans on Real Estate	14,388	22,610	186,405	51,347	.....	.....	.....
Real Estate	.....	1,000	37,000	80,000	.....	.....	.....
Premium Balances Receivable (Not over three months due)	3,409,860	2,154,952	2,408,722	457,494	444,803	254,455	236,819
Bills Receivable, Not Due	585,541	237,108	401,698	5,696	41,544	6,794	4,828
Interest Accrued	121,195	66,324	65,185	15,990	10,570	6,552	10,482
Other Assets	1,446,102	349,615	996,985	69,484	130,089	26,910	25,856
Total Admitted Assets	\$69,881,967	\$44,114,938	\$46,025,718	\$ 9,454,196	\$ 8,269,788	\$ 4,841,325	\$ 4,140,752

LIABILITIES

Reserve for Unearned Premiums	\$27,479,113	\$16,037,005	\$17,494,576	\$3,754,802	\$ 3,064,834	\$ 1,691,508	\$1,914,007
Reserve for Losses and Loss Expenses	7,108,390	4,788,617	5,659,245	831,945	1,134,595	564,042	296,624
Reserve for Taxes and Expenses	2,904,400	1,834,800	2,105,000	375,753	395,250	211,925	165,500
Other Reserves	822,349	361,644	524,702	117,881	99,695	31,014	19,218
Capital	2,000,000	2,000,000	2,000,000	1,200,000	†500,000	†500,000	500,000
Net Surplus	29,567,715	19,092,872	18,242,195	3,173,815	3,075,414	1,842,836	1,245,403
Surplus to Policyholders	31,567,715	21,092,872	20,242,195	4,373,815	3,575,414	2,342,836	1,745,403
	\$69,881,967	\$44,114,938	\$46,025,718	\$ 9,454,196	\$ 8,269,788	\$ 4,841,325	\$ 4,140,752

★Securities in statements include amounts deposited with various states, as required by law, in the following amounts: United States Fire, \$3,781,879; North River, \$2,477,687; Westchester Fire, \$2,194,411; Allemannia Fire, \$245,000; Western Assurance, \$675,071; British America, \$668,071; Southern Fire, \$286,481.

†Statutory Deposit.

On the basis of December 31, 1949, Market Quotations for all Bonds and Stocks owned, the Total Admitted Assets and Surplus would be increased by the following amounts: United States Fire, \$1,219,322; North River, \$827,886; Westchester Fire, \$874,630; Allemannia Fire, \$225,512; Western Assurance, \$174,225; British America, \$90,303; Southern Fire, \$71,340.

CRUM AND FORSTER, Manager

110 WILLIAM STREET, NEW YORK CITY

WESTERN DEPARTMENT SOUTHERN DEPARTMENT CAROLINAS DEPARTMENT PACIFIC DEPARTMENT ALLEGHENY DEPARTMENT
FREEPORT, ILLINOIS ATLANTA, GEORGIA DURHAM, NORTH CAROLINA SAN FRANCISCO, CALIFORNIA PITTSBURGH, PENNSYLVANIA

THURSDAY, MARCH 23, 1950

The public responds to leadership

Agents well know that the public responds to leadership, rewarding those who represent forward and progressive companies with an increased share of business.

Throughout North America's 158 years of progress, it has pioneered many new types of insurance. It has broadened many old forms. This is in the public interest. It also is in the interest of Agents and Brokers.

This is leadership in action. We intend to hold that leadership . . . to continue improving the application of insurance so that it does a consistently better job for the insured.

Because . . . we are convinced that by meeting the needs of the public fully and efficiently, we work to the advantage of all concerned.

Insurance Company of North America, founded 1792 in Independence Hall, is the oldest American stock fire and marine insurance company. It heads the "North America" Companies which meet the public demand for practically all types of Fire, Marine and Casualty insurance; Fidelity and Surety Bonds. Sold only through Agents or Brokers everywhere.



**INSURANCE COMPANY OF
NORTH AMERICA**
COMPANIES, *Philadelphia*

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Philadelphia Fire and Marine Insurance Company

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Expect \$4 Million Insurance Loss in Kansas City Fire

Unpublicized Disaster May Be Worst Since Texas City Explosion

What is probably the largest fire insurance loss since the Texas City disaster in April of 1947, resulted from the burning of the four-story Goodyear Tire & Rubber Co. warehouse in North Kansas City March 15, with damage to the warehouse building and contents and subsequent exposure loss to a multiple occupancy building across the street estimated at about \$4 million.

Adams Transfer Co. is the owner of the reinforced concrete building at 801 Armour road, in which Goodyear was the main occupant. An exploding fuse box on the third floor is thought to have caused the fire. The flames raged out of control for several hours, and caused what some observers have characterized as one of the worst losses ever to a reinforced concrete building.

A westerly wind blew the smoke into the nine-story National Bellas Hess Co. fireproof sprinklered building across the street, and the heat activated sprinklers. Exposure loss to the Bellas Hess building is estimated at \$50,000 and smoke and water damage to the contents is very heavy.

Worst Fire in Local History

The fire is the worst in the history of the Kansas City area. Firemen were pouring water into the Goodyear warehouse on Friday, two days after the fire started. However, the event received only minor notice in the national press.

Apparently all the losses are adequately covered by insurance.

The Adams Transfer building, a total loss, was insured for \$300,000 through the Haas & Wilkerson agency in Fire Association and Pacific National.

Loss to the Goodyear Tire & Rubber Co. has been estimated by its local manager at \$2½ million, but insurance observers have put the figure at closer to \$1½ million. Goodyear had some 80,000 tires and 70,000 tubes in the warehouse and a large number of industrial and tractor tires valued at \$2,000 each. Some of the latter were saved.

Insurance on the Goodyear equipment was placed through Johnson & Higgins and is understood to be with Aetna Fire.

F.I.A. on Bellas Hess Building

Factory Association, through Thomas McGee & Sons agency, has the coverage on the National Bellas Hess building. The building loss, entirely exposure, is estimated at \$50,000. This building is 73 feet away from the Adams building and underwriters had classified it as a structure with no exposure except railroad sidings. However, the terrific heat put out by burning rubber and the heavy smoke that ensues from such a fire caused widespread damage to contents throughout the entire building.

Losses were heaviest on the top floors. The seventh, eighth and ninth floors were occupied by the Stern, Slegman Co., manufacturers of ladies' coats. This firm carried \$100,000 insurance on furniture and fixtures, \$900,000 on stock and

Auto Manufacturers Output Policy

AETNA FIRE TELLS OFFICIAL STAND

THE NATIONAL UNDERWRITER asked the management of Aetna Fire if they had anything officially to say regarding Aetna's manufacturing output policy, which has excited so much attention and which the joint committee on interpretation and complaint has ruled to be in violation of the uniform definition of underwriting powers. Aetna Fire states its official position on this as follows in response to the request of THE NATIONAL UNDERWRITER:

With reference to the position taken by the joint committee on interpretation and complaint, in Bulletin 131, we find ourselves in disagreement. We agree with the committee that the policy contains marine coverage, but we do not agree that this makes the whole policy a marine policy. The conclusion of the joint committee is based on its Bulletin No. 90 which holds in effect that any policy in which any inland marine power is exercised is an inland marine policy. It is our position that such a construction of Bulletin No. 90 renders the bulletin invalid because it is an unwarranted restriction upon the charter and licensed powers of the companies, and furthermore such a result is expressly disclaimed in the Preamble to the Nationwide Definition which we quote:

"The following definition and interpretation do not include or attempt to define all of the powers which may be exercised by insurers authorized by various state insurance laws to transact marine, inland marine and transportation insurance in such states."

Limiting Express Powers

It is very doubtful if any organization of insurance companies or any organization of insurance commissioners, or the insurance commissioners in their respective states, could, by applying the interpretation to Bulletin No. 90 which the joint committee has applied, limit the express powers granted to a company by a legislature.

Most of the states have now adopted multiple line underwriting. One of the purposes of that action was to permit an insured to buy all of his insurance

from one company, and so far as practicable in one package. This the interpretation of the joint committee would prohibit. Also, most states have amended the definition to permit the writing of personal property floater policies, and some have gone so far as to permit them to be written by casualty companies as well as by fire companies. The result of this was an extension of insuring powers without regard to charters and with no consideration of the class or kind of insurance.

In many of the states there is no restriction in the law permitting personal property floaters which would restrict them to household effects, and it would be most unfairly discriminatory to permit personal property floaters only as to household effects and make the nature of the ownership the criteria by which the power to write a kind of insurance is to be controlled.

The automobile manufacturers' output policy is a blending, into a single contract, of physical damage coverages which our companies customarily write separately, that is, fire and allied lines, automobile, casualty, inland and ocean marine. Heretofore we have required our customers to go to each of our separate departments and buy as many separate contracts, which they hoped could be fitted together into fairly complete coverage. What we have now done with this policy is to put those separate elements together and offered one complete insurance coverage to the buyer, and in the process we have filled in gaps and unified policy clauses. We do not believe that the marine or inland marine powers have been used beyond the limits of the nationwide definition properly construed.

The very fact that we offered the policy and rate for filing and approval in the several states indicates that we do not consider this a marine policy. Under the laws existing in most states relating to the filing of forms and rates, marine filings are not required on classes whose rates are customarily subject to rating bureau action. Here we are acting alone.

ing are co-adjusters for Stern, Slegman and National Bellas Hess.

The fact that the fire attained such proportions apparently was caused by a tragic comedy of errors. It is understood that some electrical repair work was being done in the upper floors of the Adams building and the fire ensued from an exploding fuse box. The North Kansas City fire department, which owns six pieces of motorized fire apparatus, four of which are rated as first class, has come in for heavy criticism in that it refused to ask for help from the Kansas City fire department until the mayor of North Kansas City personally intervened, two hours after the fire started.

Smoke and occasional flame were still issuing from the Adams building on Friday, about 40 hours after the fire began. Burning rubber generates terrific heat and brings forth a heavy carbon smoke that creates a heavy film.

The National Bellas Hess building was generally considered an excellent risk, and the fact that it was across the street and 73 feet away from the Adams building gave it a classification of no exposure.

Some extra loss to the Goodyear Tire Co. was avoided because the largest and most expensive tires were housed on the first floor of the Adams building, and employees were able to save a number of them before the fire got too hot.

Southern Agents Enthusiastic for Regional Meets

Vote to Continue Regardless of N.A.I.A. Action at St. Louis

BILOXI, MISS.—The three-day meeting here of the Southern Territorial Conference of National Assn. of Insurance Agents drew a crowd of more than 200 to hear discussions of major problems of the business and to gather sales ideas from a line-up of capable speakers.

The agents demonstrated their enthusiasm for the regional meeting plan by adopting a resolution favoring continuance of the southern meetings regardless of any action taken by the National association at its St. Louis meeting this week.



R. E. Bobo

Automatic Reinstatement

Other resolutions adopted recommended that every effort be extended to secure automatic reinstatement on fire policies without charge when property is restored or replaced. It was pointed out that the practice will cost the companies but little since most reinstatement endorsements bring such small premiums that commission and premium received are not sufficient to pay the expense of the transaction. Another resolution urged that the standard agency contract be revised so that renewal commissions on installment and annual term policies go to the original agent.

The conference also requested that automobile dealer agents be required to furnish copies of policies on financed cars showing coverage and premiums and special notices to the assured that bodily injury and property damage liability are not included. Quick settlement of the multiple location problem was asked, and a resolution was sent to Factory Insurance Assn. urging greater capacity be offered.

The first morning was given over to an executive meeting at which the subjects for the closing discussions Saturday were chosen. Donald A. Bolton, Jacksonville, Fla., conference chairman, presided.

At the first general session, Robert E. Bobo, Clarksdale, Miss., president of the Mississippi association, gave the address of welcome and introduced his next door neighbor and competitor, O. Shaw Johnson, president of the National association. Mr. Bobo remarked that he believed Mr. Johnson had him elected president of the Mississippi association so that competition would be reduced while Mr. Johnson was busy with National association affairs.

Mr. Johnson's address was devoted to emphasizing the importance of agents in the insurance picture. The National association, he said, is a personification of the important part that agents play in the business. Through the National association, agents can make themselves

(CONTINUED ON PAGE 33)

Multi-Unit Hearing Winds Up in N. Y. After Four Months

Appellants Rebut; Department Decision Over Month Away

NEW YORK—The multiple location risk hearing which has been in progress at the New York department since last Nov. 21 ground to a halt last week. Counsel have until April 17 to submit briefs and until April 24 for reply briefs. Then Deputy Superintendent A. J. Bohlinger, who has presided, will render his verdict.

Just before the close Abe Silver, department examiner, was questioned on one recommendation in his report of an examination of National Automobile Underwriters Assn., which has not yet been released. The recommendation is that N.A.U.A. fleet rules be made mandatory so that insured go back to manual rates when they wish to do so. One criticism of the multiple location plan approved by the department, made by America Fore and other companies appealing from the plan's approval, is that it is not mandatory.

On the last day, Carl E. Newton, counsel for appellants, presented a rebuttal to the salient points of the opening statement of Roy C. McCullough, deputy and counsel of the department in the case.

Mr. Newton said the plan approved by the department does not per se stimulate fire prevention work and is therefore contrary to the public interest; the disadvantages of the reporting form listed by Mr. McCullough are actually synthetic; Mr. McCullough's arguments show a confusion of management with regulation; the plan is, contrary to the department's position, subject to manipulation; it is not based upon a true class as provided for by statute; and individual loss experience should not be used in the fire field because of the catastrophe hazard.

"Confuses Management and Regulation"

Mr. McCullough argues the plan is necessary to provide stock insurers competitive rates, Mr. Newton said. This evidences a fundamental misconception of the purpose and functions of rate regulation, he went on. It confuses management with regulation. Mr. McCullough complains that rates filed by the stock insurers in concert resulted in a rigid rate structure. If there weren't a public interest in having stock insurers act in concert to make rates, there wouldn't be any New York insurance rating law, Mr. Newton said. Rate regulation comes in only where public interest requires it as the alternative to free competition, where free competition as in insurance would damage public interest through insolvencies of companies, etc.

Pricing of insurance to meet competition is a function of management and not a function of insurance regulatory authorities, he declared. Their function is to see that such pricing conforms to the prescribed legal standards and does not discriminate unfairly between insured. Mr. Newton agreed that competition is to be included in consideration by the department of factors reasonably attributable to the class of risk. But the plan introduces unfair discrimination by favoring the few against the many, he said. The distinction between the managerial responsibility and regulatory responsibility has been clearly defined by courts

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Companies Swing to Tax Exempts

Municipals Offer About One-Third More After Taxes

The purchases of fire and casualty companies during 1949 showed a marked trend away from government bonds in favor of tax exempt municipal or state bonds. The basic impetus of course was supplied by the unusually good profits, particularly in the fire field.

In brief, according to investment men, the 38% tax on governments causes them to produce from 30 to 40% less "take home" yield than an A municipal. In former years when federal corporate income tax rate was 12, then 16, then moved up to 20 and 22, there was not such an advantageous differential. Today, a company that has a medium term (10 to 12 years) government which yields 2%, earns a net of only 1.2% after taxes. By buying municipals of A or better, the company can get 1.6 to 1.8. In three years it has what amounts to another year's interest with governments. The net after taxes for a 15 year government is 1.41. In New York City, the A bond for 15 years produces 1.90, a difference of 50 basis points. Where the municipal bond is BAA, there is an even better swing.

Features of State Bonds

State bonds generally yield less than good municipals, and in the past there has been some favoring of state bonds over municipals. Those companies that buy state bonds usually take part of a large issue because the larger the issue and the greater the market needed, the more attractively priced the bonds are. Though they yield somewhat less than municipals, state bonds are still more attractive than governments, roughly about half way between the municipal and government difference.

Municipal credit is stronger than for years. During the war many municipalities paid off debts. As a consequence, the aggregate debt of municipalities has declined, and they are in a more favorable position today than for many years.

A few insurers still cling to governments exclusively, and others have been reluctant to go to tax exempts because they think governments are more impressive when the agents read their annual statements. Obviously, this is not as strong an influence as it has been in the past. One effect of the trend toward municipals is that companies are likely to continue in them unless something happens that scares them out or unless the differential in earnings shrinks substantially.

Exempts Equal Governments

To indicate the extent of the swing, in the portfolios of six companies tax exempts (municipal or state bonds) now exceed, as of the 1949 statements, or almost exceed, government holdings. This has always been true of two of the six, St. Paul group and Central Surety. However, it is a new position with the Boston, American Casualty and Northwestern National. Phoenix of Hartford has almost as many tax exempts as governments, which is rather an unusual situation for a Hartford company where most of the companies have not gone for the tax exempts so strongly.

There are four additional companies in which the tax exempts are about one-half of the governments—Aetna Casualty, Security of New Haven, National Union and Northern of New York.

The experience of the St. Paul group may be having some influence on other companies. The St. Paul for years has gone in strongly for tax exempts, and its experience has been extremely good. It holds eight times as many exempts as governments. All companies except a handful have responded to the trend

Lively Sessions at Minn. Midyear

Excellent Program Offered at St. Paul Meeting—Registration Is 334

ST. PAUL—Registration for the midyear meeting here of Minnesota Assn. of Insurance Agents was 334. Agents and their wives attending the two-day convention were offered an excellent affair of entertainment and talks.

Weaknesses in the present farm comprehensive liability policy were pointed out at a spirited and well-attended rural and small-town breakfast meeting. The agents agreed that the policy needs to be more comprehensive and could stand some clarification.

The discussion was led by Rich Pugh, Aetna Casualty, and Ralph Morehouse, U. S. F. & G. Both were bombarded with questions from agents who have run into difficulties with the policies. The discussion ran overtime and some subjects on the agenda had to be left out to be taken up at the annual meeting. E. A. Craig, farm committee chairman, presided.

The influence of the wife in family insurance buying is largely overlooked by fire and casualty agents, Miss Ernestine Robin, editor of Hartford Agent, said in her talk at the general session.

Miss Robin pointed out that agents agree that women control the family spending and insurance security is more important to them than to the men, but they rarely advertise to women or try to find out their ideas or problems.

Too Little Attention to Women

Citing a survey she had made among local agents, Miss Robin said that most agents do not pay enough attention to women as prospects. To the complaint of some agents that women do not understand the technical part of insurance, Miss Robin remarked that there are ways in which the agent can appeal to a woman in the sale without resorting to technicalities. "Get the woman on your side by helping her to understand what the services of your agency can mean," she advised. It may not be possible to sell them in terms of coinsurance, floaters and loadings, but put in terms of clothing, new shingles and toys, the women can understand the problem.

Agents who berate housewives for their lack of knowledge of the business and their inability to grasp technicalities should remember that they are not going to get the information anywhere but from the agent.

Speaker at the luncheon, which was sponsored by St. Paul F. & M., was Dr. J. O. Christenson, principal of the Minnesota school of agriculture, who praised the agents for their high social service in helping people protect themselves against misfortune.

Fine Job Done in Settling Claims

Though fire companies are doing a magnificent job in settling claims, they get little credit for it, Edward F. Holloran, staff adjuster for Hartford Fire at Minneapolis, said in his address on "The Pay-Off in Our Business."

As an example, Mr. Holloran cited a recent magazine story on the disaster that practically wiped out Woodward, Okla., in 1947. The Red Cross, Salvation Army and various other charitable organizations were given generous credit for coming to the aid of the people of Woodward, but nothing was said of the work of the insurance companies which came in quietly and paid

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to a greater or lesser degree. Mutuals are also buying tax exempts, those that pay the federal income tax on the investment basis.

Search for Facts, Frank Lang Advises Advertising Men

Meaty Talks Given at Insurance Advertising Conference Spring Meet

By RALPH E. RICHMAN

NEW YORK—Search for facts which can serve as guides for each advertising step, Frank Lang, manager research department Assn. of Casualty & Surety Companies, urged at the spring meeting here of Insurance Advertising Conference.

Creative ability in advertising can multiply its value, he declared, by knowing "why" each advertising step is taken or is handled in a particular way. For example, a search for facts within the company might disclose the most pressing reasons for advertising to meet some special need or to reach some particular group. The problem could be in underwriting, in claims or it might be in sales. Further search might well reveal the answer and when it should be placed before readers. Certainly objective of the advertising should be known and clearly understood by all who have part in its preparation and approval.

Annual Statement Advertising

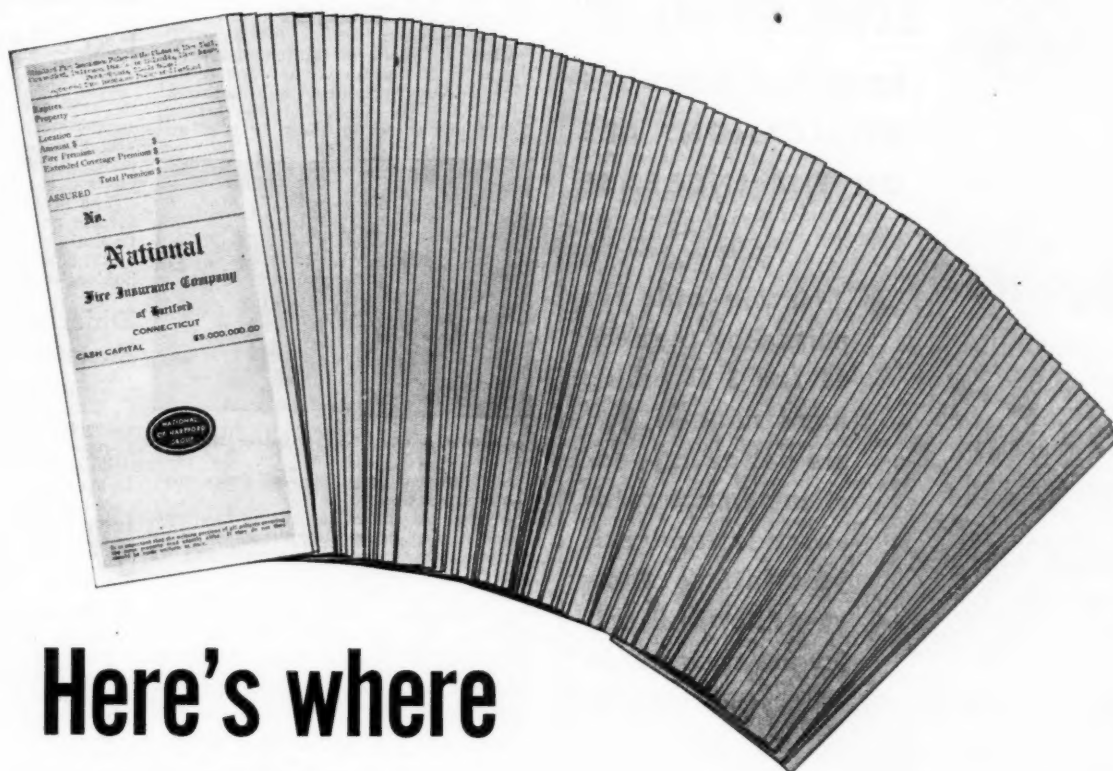
Since annual statement advertising by booklet and other forms is traditionally done by insurance companies, they may wish to examine their own annual statement publicity in the light of a survey of stockholder annual reports conducted by "Financial World." In 1948 it checked annual reports of insurance companies to determine whether they could be classified as modern, improved or unchanged since 1940. Thus for all types of companies, inside and outside insurance, half of annual reports in 1948 could be classified as modern, 28% as improved and 22% as unchanged from 1944. For stock insurance companies other than life, only 13% could be classified as modern, 33% as improved and 54% as unchanged. Mr. Lang cited this survey as a factual approach to determine whether one form of insurance advertising is keeping pace with what are considered good practices today.

Questions on Advertising Planning

Some of Mr. Lang's questions on advertising planning were: What is the advertising seeking to do and why was that particular objective selected? Can the objective be dealt with through advertising? What groups should the advertising reach? What media should be used? What should be the basic copy theme? What are the plans for pre-testing of copy before large expenditures? What schedule of advertising appearance will be most effective? Then after the advertising has appeared it is desirable to find out just how effective it was in getting attention of people, being read carefully and leading to some kind of favorable reaction or action.

Contrary to popular belief among insurance people, interest in insurance advertising ranks high among possible items for purchase. Very often it ranks fourth or fifth, below toilet articles, drug store items and clothing and ahead of travel, household equipment, tobacco, automobiles and food. This has been determined by a study of 2,500 advertisements appearing in Saturday Evening Post 1938-1940. In terms of in-

(CONTINUED ON PAGE 33)



Here's where SCOPE spells extra sales

Last year over 1,000,000 of our policies were placed by National of Hartford Group agents.

They varied from small, personal coverages on furniture written in small town agencies to big city agency lines on interstate risks.

In type of coverage these policies ranged through fire, casualty, automobile, marine, inland marine, and bonds—in fact, through every form of insurance protection except life.

This complete variety of coverage—scope—available in the National of Hartford Group enables our agents to meet client needs and problems ably and with confidence.

It is another instance of why EXPERIENCE and SCOPE pay off for the small or big agency—in extra sales, better protection service.

... find out more about the National of Hartford Group.

National of Hartford Group

NATIONAL FIRE INSURANCE COMPANY OF HARTFORD
MECHANICS and TRADERS INSURANCE COMPANY



FRANKLIN NATIONAL INSURANCE COMPANY OF NEW YORK
TRANSCONTINENTAL INSURANCE COMPANY

UNITED NATIONAL INDEMNITY COMPANY

EXECUTIVE AND ADMINISTRATIVE OFFICES, HARTFORD 15, CONN.

F. D. LAYTON, Chairman of the Board

H. B. COLLAMORE, President

WESTERN DEPARTMENT

CANADIAN DEPARTMENT

PACIFIC DEPARTMENT

175 W. JACKSON BLVD., CHICAGO 4, ILL.

485 MCGILL ST., MONTREAL 1, P. Q., CANADA

234 BUSH STREET, SAN FRANCISCO 20, CAL.

MEMBER THE ASSOCIATED AVIATION UNDERWRITERS

HOW THE 3 D'S PROTECT your business

DISHONESTY
DISAPPEARANCE
DESTRUCTION

**MONEY IS TIGHT
EXPENSES ARE UP
ROBBERIES, HOLD-UPS
DEFALCATIONS ARE
ON THE INCREASE**

Nation-wide reports show the need of the 3 D policy more than ever. You are not giving your clients complete insurance service if you fail to show them how this policy fits their needs.

Phoenix-London GROUP
55 FIFTH AVENUE · NEW YORK

PHOENIX ASSURANCE CO., Ltd.
IMPERIAL ASSURANCE COMPANY
COLUMBIA INSURANCE COMPANY
UNITED FIREMEN'S INSURANCE CO.
THE UNION MARINE & GENERAL INSURANCE CO., Ltd.
LONDON GUARANTEE & ACCIDENT CO., Ltd.
PHOENIX INDEMNITY COMPANY

1910 — 1950

FORTY YEARS

of factual appraisal service to
America's more conservative business institutions

FACTUAL APPRAISALS

IMPARTIAL VALUATIONS
of
INDUSTRIAL and COMMERCIAL PROPERTY

**SOUND
COMPETENT
RESPONSIBLE**

DISTRICT OFFICES IN ALL PRINCIPAL CITIES

The Lloyd-Thomas Co.
RECOGNIZED AUTHORITY ON PHYSICAL VALUES
APPRAISAL ENGINEERS
4411-15 RAVENSWOOD AVE., CHICAGO

LONDON ASSURANCE CHANGES

Sheffe Retiring, Walter Meiss Now U. S. Manager

Chris D. Sheffe on March 31 will retire as U. S. manager of London Assurance and as president of Manhattan F. & M. He succeeded Everett W. Nourse in these positions in 1942 and



Chris D. Sheffe



Walter Meiss

has completed more than 47 years with the organization.

During his career Mr. Sheffe has been a member of many committees of company organizations in the east and at present is a director of General Adjustment Bureau, Underwriters Salvage Co. and New York Board of Fire Underwriters. He is a trustee of Insurance Executives Assn.

Walter Meiss, now the assistant U. S. manager of London Assurance and vice-president of Manhattan F. & M., will succeed Mr. Sheffe.

Mr. Meiss is a familiar figure at agency and company gatherings. He has made numerous platform appearances, and is the author of many articles on insurance.

He entered the business with London Assurance in 1919 following his discharge from the U. S. marines, establishing the automobile department. He became successively general agent, executive general agent, and in 1942 assistant U. S. manager of London Assurance and vice-president and director of Manhattan F. & M.

Kenneth J. Bidwell, general agent of London Assurance and assistant secretary of Manhattan in charge of automobile and inland marine, will be assistant U. S. manager and vice-president, respectively.

Mr. Bidwell started his insurance career with Reliance Marine in Liverpool in 1922. Later, he joined British & Foreign and in 1929 transferred to the New York office. He joined the London group in 1938 and organized the Manhattan's inland marine department.

Hail Experience for 1949 Reported

	Net Premiums	Paid Losses
Am. Eagle Fire...	\$ 155,763	\$ 29,256
Am. Fidelity Fire...	195,455	136,888
Am. Home	104,762	74,368
Continental	1,200,829	325,950
Fidelity-Phoenix	931,469	317,826
Glens Falls	83,769	41,347
Globe & Rutgers	523,810	371,842
Mercury	631,429	481,498
Metropolitan Fire	895	.....
National Re	7,284	158
New Hampshire	56,821	13,725
North Star Re	462,726	229,620
Ohio Farmers	1,078	506
Pacific National	33,738	21,107
Philadelphia F. & M.	430,482	16,408
Reins Corp.	2,768	.....
St. Paul F. & M.	2,157,052	1,314,651
Security Fire	15,896	9,507
State of Pa.	209,524	148,737
Switzerland General	120,837	74,738

Loss Figures in Statement

It was brought out in the annual report of Diamond Match Co. that net income for 1949 was "incomplete" because of a substantial claim against an insurer due to a fire at the Plattsburg, N. Y., paper mill of the company. That fire occurred in December, 1948, and a physical damage loss of approximately

\$1 million resulted. The loss was adjusted, but there was also a substantial U. & O. loss which still is in process of adjustment. Production was not back to normal for almost a year.

Dubuque Has Excellent Showing

Dubuque Fire & Marine has issued its new annual statement, showing an exceptionally strong, liquid condition. The assets now stand at \$6,717,678 of which \$3,852,557 consists of cash and government bonds.

The premium reserve amounts to \$3,528,149 and the loss reserve is \$403,438. Capital is \$1,150,000 and net surplus \$1,277,261, giving a surplus to policyholders of \$2,427,261.

Ethier to North British in Eastern Mich. Field

North British has appointed Arthur C. Ethier special agent in eastern and northern Michigan to succeed the late Clarence A. Dafoe. His headquarters will be in the National Bank building, Detroit.

Mr. Ethier has been with Michigan Inspection Bureau and later traveled the state for National Fire.

Perkins Named Chicago Assistant for Loyalty Group

James I. Perkins, assistant branch manager at Indianapolis for Loyalty group, has been transferred to Chicago and named assistant Cook county manager.

Mr. Perkins started in the business in 1940 with Pioneer Equitable and in 1942 joined Loyalty group as special agent in Indiana. After army service he returned to the Indiana field and in 1948 was named assistant Indianapolis manager.

Viehmann Cracks Down

Independent Mutual Fire of 241 East Ohio street, Indianapolis, was suspended for 60 days at March 15 by the Indiana department, charged with irregularities. The company president is Elmer W. Sherwood, Indianapolis, and the vice-president is James H. McShane of Hammond.

Commissioner Viehmann said a policyholder had complained that the company denied liability covering a loss. Mr. Viehmann said the company was ordered to pay the loss in full. He said also the company was selling insurance through unlicensed agents.

According to "Directory of Mutual Companies in the U. S." Independent in 1948 had premiums of \$7,367 and losses of \$369. J. L. Ivanhoe was listed as secretary.

O. R. Sandell has been promoted to fire superintendent of Planet. He has been with the Standard Accident group since 1945. At one time he operated his own local agency.



Theodore Burke, executive secretary of Massachusetts Assn. of Insurance Agents and W. S. Vanderbilt of Hartford Fire are caught in an informal pose at Boston meeting of National Assn. of Insurance Agents.

Wm Wit

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Wm. Penn Cuts Final Ties With Former Sister Units

P. H. Mell, executive vice-president of William Penn Fire, announces that settlement agreements have been executed between William Penn and Rhode Island Ins. Co., and between William Penn and Pioneer Equitable of Indiana. These, he states, constitute a final settlement of all accounts and claims arising out of the previous association of these companies and releases have been exchanged among the three units.

Although the agreements and releases have just been signed, the transactions provided for took effect as of Sept. 30, 1949, Mr. Mell said. These developments, according to Mr. Mell, finally confirm that William Penn is operated on an independent basis "by an independent and experienced board of directors and management, entirely unrelated to former affiliations."

State Washed Clean

No amounts whatever, Mr. Mell said, are now payable to or due from Rhode Island, Pioneer Equitable or National of Denver.

Mr. Mell states that Pennsylvania and Indiana examiners have completed an examination of William Penn as of June 30, 1949. Subsequent transactions including settlement agreements among the companies have been reflected in the completed report which has been certified by the commissioners of these states, he declared. This report has also been approved by commissioners of numerous additional states, he declared. Policyholders surplus of William Penn at the end of 1948 was \$1,633,832 according to Mr. Mell, while premium reserve was \$518,513. At the end of 1949, the corresponding figures were \$1,293,969 and \$1,723,166.

Last year the ratio of losses and loss adjustment expenses incurred to premiums earned was 37.41% and expenses incurred to premiums written,

58.81 or a total of 96.22. This compares with a combined ratio of 141.4 the previous year. Very substantial non-recurring legal accounting and other expenses were incurred last year, Mr. Mell emphasizes.

Ledger assets were \$4,479,090 of which \$937,149 was cash and governments; \$470,007 agents' balances and special and guaranteed funds on deposit, \$596,024.

The management of the company has now been delegated to Mr. Mell as chief executive officer, assisted by S. J. MacMinn as vice-president and a staff of experienced personnel.

Reinsurance facilities have been revised and improved, Mr. Mell states and this should enable William Penn to double its gross writings this year without any strain on surplus. Since August, 1948, Mr. Mell states, the management has been successful in eliminating from the portfolio of William Penn and of National of Denver about \$1,800,000 par value of investments in related companies. Plans are now being made to complete the removal of such investments. No further investments will be made in any related or affiliated companies, he states, and as soon as possible such investments will be disposed of and converted into government bonds or other readily negotiable securities.

Commissioner Forbes of Michigan revealed this week that William Penn has asked that its license not be renewed in Michigan. He said Wm. Penn has had relatively little business in this state, only about \$1,800.

N. Y. Legislative Committee Reports

The New York state joint legislative committee on insurance rates and regulation recommended passage of an amendment to the state's Clayton act which will give the superintendent power to take more positive regulatory steps and enable him to order companies to divest themselves of ownership of certain stocks. The committee recommended passage of a bill increasing statutory liability limits for taxicab fleets.

The committee announced that it will hold hearings to see if any discrimination is practiced by insurance companies against persons for reasons of race, color or national origin.

The committee deferred action on underwriting profit and recommended waiting until the report of a committee of actuaries to be named by the National Assn. of Insurance Commissioners is completed at the Quebec meeting in June.

Recommendations on the multiple location risk problem were withheld pending completion of present hearings by the New York department.

The committee reviewed the study made by George Klein, special assistant to Superintendent Dineen, on the problems of unauthorized insurers. The committee did not come up with a bill to tax Lloyds, although it endorsed the purpose of a non-committee bill to do this. The committee itself wants to undertake further study before submitting such a bill.

Start Fire Loss Conference

PHILADELPHIA—The first step in the formation of a Philadelphia Fire Loss Conference was taken at a meeting with 37 representatives of fire companies in attendance.

Paul Clark, North America, was named temporary chairman and Will Coulston of that company acting secretary. A committee named to discuss a constitution and by-laws and to take additional steps to bring the conference into being includes Harry Rulon, American; Walter Teese, Home; Arthur Gehrig, Potomac; Gordon Monroe, Hartford Fire, and Carl Brandt, Pennsylvania Fire. This committee also will present a slate of officers.

Speaker at the first meeting was Addison Robert, Fire Association.

Anderson to Local Agency

Robert C. Anderson, who has been with the Indiana branch office of General Accident as underwriter and field representative, has joined the Waterfield & Co. agency at Fort Wayne as a partner. The new partnership is comprised of Dallas F. Waterfield, Richard H. Waterfield and Mr. Anderson.

C. G. Wright Buys Agency

The Vashon, Wash., local agency of Wheelock & Simpson, has been sold to C. G. Wright, formerly adjuster at Seattle for General of Seattle.

Mr. Wright was at one time insurance commissioner of Minnesota. He entered the adjusting business in 1921 and later moved to Montana.



PICTURED AT BOSTON N.A.I.A. REGIONAL MEETING:

Top panel—Six agents from Trenton: S. C. W. Ackerman, Karl Weidel, Russell Stricker, F. A. Hoadley, Thomas Auld and Francis Tyrrell.

Center—W. J. Zwinggi of Pittsburgh, Roy Duffus of Rochester and J. W. Rose of Buffalo, secretary New York state association.

Below—Four new officers of Eastern Agents Conference, excluding J. V. Coblentz of Frederick, Md., secretary, who could not attend. They are Henry G. Dudley, Washington, vice-chairman; E. S. Cowles, Jr., Hartford, chairman; H. Earl Munz, Paterson, N. J., vice-chairman, and P. H. Hadley of Bellows Falls, Vt., treasurer.

De Young Tells Buffalo Congress A. & H. Is Big Time

Jay DeYoung, manager of the Continental Casualty A. & H. branch at Chicago, speaking at the first sales congress of the Buffalo Assn. of Accident & Health Underwriters said that health insurance today ranks as one of the largest divisions of the insurance industry. There was a tremendous increase in the volume of business last year when the total premium value of A. & H. was \$1,300,000,000. "We expect a bigger volume this year," he said.

Richard Caldwell, United States Life, Newark, stressed the need for a return to fundamentals in selling.

Morgan O. Doolittle, president of Empire State Mutual Life, the closing speaker, summarized the high points of the various addresses and also made a plea for more effective public relations.

There were some 200 who attended this meeting which was the first of its sort sponsored by the Buffalo association. The president of the group, Henning B. von Arnim, presided. Rupert L. Abbott, Massachusetts Indemnity, was chairman of the event and C. H. Newell of Norman Duffield & Co., was toastmaster. Among other speakers were Carl Ernst, manager of North American Life & Casualty, St. Paul; Sidney Fields, Massachusetts Indemnity, Cleveland; B. F. Helmbrecht, general agent Mutual Benefit H. & A., Buffalo, and Michael J. Denda, resident vice-president, New York, for Union Mutual Life.

Everett G. Patterson has been named assistant secretary of Middlesex Mutual of Middletown, Conn. Elected to new three-year terms as directors were Associate Justice Baldwin of the supreme court of errors, Frederick B. Fountain, Dr. William M. Joyce, and Thomas M. Russell, Jr.

George C. Peterson, Chicago manager of Royal-Liverpool, is off on a Florida vacation.

Hearing on Cal. Minimum Benefits Rules Starts

LOS ANGELES—With J. R. Maloney, chief assistant insurance commissioner, presiding, representatives of the California department and of companies writing disability insurance opened an informal three-day conference Tuesday on the regulations proposed by Commissioner Downey to implement the minimum benefits law passed by the last legislature, which is to become effective July 1.

At the regional meeting of H. & A. Underwriters Conference which was held Monday considerable time was devoted to consideration of the draft, which covers 25 legal sized typed pages.

Revenue Bureau Rulings

WASHINGTON—In recent internal revenue bureau rulings, it has been held that:

An employer's private plan for paying disability benefits to employees and the New Jersey TDB law is A. & H. insurance, which meets requirements of section 22(B)(5), internal revenue code.

Amounts received by employees under such a plan are excludable from gross income under the latter section, and consequently are not subject to the withholding tax.

Matson Promoted at L.A.

Hartford Accident has promoted Earle L. Matson to superintendent of production for the Southern California office at Los Angeles. He succeeds Ralph W. Gabriel, resigned.

G.A.B. Advances Adrean

DALLAS—Ray E. Adrean, staff consultant in the southwestern department of General Adjustment Bureau, has been advanced to assistant manager of the automobile division under J. M. Faulkner, executive supervisor. Prior to 1947 Mr. Adrean was with Motors Insurance Corp.

H. A. Miller Is Leaving W.U.A.

H. A. Miller announces his resignation from Western Underwriters Assn. at Chicago, effective April 1. He expects to continue to be active in the business but is not prepared to announce his plans for the future.

Mr. Miller is one of the best known veterans in fire insurance in the west. He has a wealth of experience in many lines. He started with Chicago Board of Underwriters as an inspector, the connection originating with H. H. Glidden, who was manager of the board and a neighbor of the Miller family. His next move was to Continental where he was employed by C. R. Tuttle, who was then the western manager, but Mr. Miller went to the head office as engineer. He served at New York, Boston and in New Jersey and later became special agent in south Jersey and then was located at Williamsport, Pa. In 1909 he went into the field with Boston at Pittsburgh and later transferred to Philadelphia with jurisdiction over a large section of middle department territory.

His connection with North America commenced in 1918. Mr. Tuttle was then the western manager of North America and he employed Mr. Miller to become head of the automobile department in the west. Mr. Miller advanced there through various executive ranks until he became associate manager. His connection with that company terminated in 1936 and then from 1937 to 1942, he was with the Illinois insurance department under the regime of Ernest Palmer as insurance director. Since then he has been with W. U. A.

Study Expense Factor Figures

NEW YORK—The industry subcommittee which is studying the term problem met at the offices of the New York department here this week to go over the study of Driscoll & Millet, accountants, which the department called for in connection with the multiple location risk matter but which also is turning up facts on other expense phases of the business.

The expense aspect of multiple location risk business is on the agenda for discussion at the zone 5 meeting of commissioners next Monday at Miami.

February Fire Loss Drop Is 6.5%

Estimated fire destruction in the United States during February was \$58,340,000, a decline of 6.5% below the total for the same month a year ago, according to estimates of the National Board. The February total represented a decline of .8% from the January loss of \$58,823,000.

For the 12 months ending Feb. 28, losses are estimated at \$664,349,000, the lowest 12-month total since December, 1947.

Total losses for the first two months of 1950 are estimated at \$117,163,000.

Women's Regional Parley at Cincinnati Attracts 250; Miss Wiese Elected

Genevieve H. Wiese, chief accountant for Marsh & McLennan at Indianapolis, was elected director for region 4 of National Assn. of Insurance Women at the regional meeting at Cincinnati last Saturday and Sunday. A past president of Indianapolis Assn. of Insurance Women and regional chairman of the committee on organization of the National association, Miss Wiese has been with M. & M. since that organization absorbed the former Insurance Service Corp. of Indianapolis in 1928.

The meeting attracted about 250. All sessions were crowded and the program and the handling of the meeting brought praise from all sides for Mrs. Christine Buchwald, Cleveland, the outgoing regional chairman, and Jean Mason, president Cincinnati Assn. of Insurance Women. Mayor Cash of Cincinnati made a hit with his talk at the Saturday luncheon, in which he related some amusing incidents involving insurance cases handled by his law firm and outlined the problems which are facing all municipal governments. J. C. O'Connell, editor "Fire, Casualty & Surety Bulletins" and associate editor THE NATIONAL UNDERWRITER, discussed current insurance problems, particularly the challenges to the casualty business brought about by demands for social legislation, such as automobile accident compensation and non-occupational accident compensation, and Ollie James, Cincinnati "Enquirer" columnist, spoke at the dinner. A. M. O'Connell, president Cincinnati Fire Underwriters Assn., was toastmaster.

Region Reshuffled

The skit of Insurance Women of Zanesville, "Leave It to the Girls," was built around explaining fire and accident hazards in the home, taking the form of a housewife rehearsing a talk on safety for a club meeting and several friends supplying incidents involving themselves and members of their families. The balance of the program was given over to committee reports, which showed a high level of activity.

This may be the largest region 4 meeting for some time, as Illinois is being transferred to region 5 and Missouri to region 7, as part of a program to equalize the number of members and clubs in the different regions. The members from the two states took a farewell bow.

S.E.U.A. Rally May 31

The annual meeting of Southeastern Underwriters Assn. has been scheduled for the Homestead hotel, Hot Springs, Va., May 31. There will be a meeting of the executive committee the morning of May 29.

Threatened Jacobs; 15 Years

Federal Judge Stone at Madison, Wis., sentenced Joseph Harvath, Stevens Point, Wis., farmhand, to three years in a federal penitentiary for attempting to extort \$10,000 from Carl N. Jacobs, president Hardware Mutuals of

Stevens Point, a director of U. S. Chamber of Commerce and a trustee of Northwestern Mutual Life. Harvath confessed that on Feb. 6 he sent a threatening letter to Mr. Jacobs. He was trapped three days later by FBI agents, who imposed a blanket of secrecy on the case until the trial. Judge Stone recommended that Harvath be given mental and medical attention because of this and previous acts.

Kill Idaho State Fund

The bill to establish a \$1 million special fund to provide insurance for all state owned buildings, was killed in the Idaho house after having passed the senate by a vote of 29 to 15. The house vote was 46 to 11 against.

The measure was sparked through the senate by E. O. Cannon, an insurance agent of Mountain Home.

G.A.B. Southern Shifts

Rowland D. Stickles has been appointed manager at Harrisonburg, Va., for General Adjustment Bureau. After serving at Birmingham, Mr. Stickles was adjutant in charge at Greenwood, Miss. At Harrisonburg he replaces James F. Ayers, who has been named manager at Charleston, S. C.

Otis S. Dunn has been appointed adjutant in charge at Greenwood to succeed Mr. Stickles. He has been at Clarksdale, Miss.

Guest with Wagner-Taylor

Arthur V. Guest has joined the Wagner-Taylor agency of Philadelphia as assistant secretary.

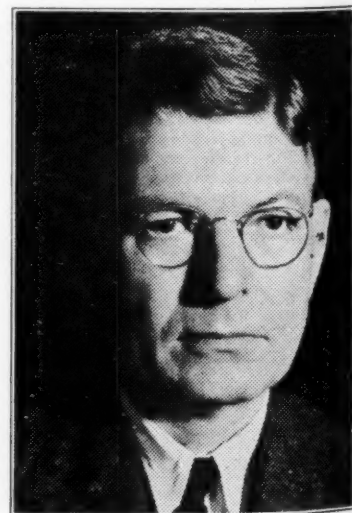
Mr. Guest is past president of the Middle Atlantic chapter of C.P.C.U. and is secretary-treasurer of the national organization. He started as a broker with Stokes, Packard, Houghton & Smith of Philadelphia and most recently has been a partner in the Freeman, Toro & Guest agency there. He has been active in affairs of National Assn. of Insurance Agents.

Loss at Winfield, Kan.

Winfield, Kan., suffered its largest fire loss in nearly 20 years when the factory annex of Sonner Burner Co. burned, with loss estimated at nearly \$100,000.

Fifty-Year Agent

Henry G. McMillan of Knoxville, Tenn., who has been in the fire insurance business since 1896 and a prin-



HENRY G. McMILLAN

incipal in the same local agency for 50 years, was honored with a dinner there by associates and friends. He is a former president of Tennessee Assn. of Insurance Agents and active in N.A.I.A.

HIGHLIGHTS In Insurance

History



EARLY FIRE ALARMS . . . In 1802, Joseph Smith patented in England a fire alarm set in motion by the burning of a string. The earliest record of an electric fire alarm appears to have been the English patent of N. Rutter (1847), in which a mercurial column of a thermometer closed the circuit when the temperature was high enough to be dangerous.

Trained representatives of the National Union and Birmingham Fire Insurance Companies cooperate with agents and assured in offering safety advice before a loss occurs.

**NATIONAL UNION
and BIRMINGHAM
FIRE INSURANCE COMPANIES**

PITTSBURGH



PENNSYLVANIA

Decision on Ark. Installment Premium Plan 90 Days Off

LITTLE ROCK — No decision by Commissioner Graves on the protest of Arkansas Inspection & Rating Bureau to renewal of the filing of the installment premium payment plan of North America will be forthcoming for at least another three to four months, pending completion of the hearing record by the submission of formal briefs by both counsel for North America and for the inspection bureau and Arkansas Assn. of Insurance Agents.

This announcement came at the conclusion of the three-day hearing. It will take four to six weeks for the reporter to prepare the record, after which time will be allowed for filing briefs on both sides.

Although several informal hearings, "town-hall style," have been held in other jurisdictions, the Arkansas hearing is the first, according to some of the executives present, to proceed on a formal basis for purpose of developing the equivalent of a court record. At its conclusion, counsel for both sides complimented the commissioner on the way in which the hearing was conducted. John C. Phillips, assistant counsel for North America, said that the caliber of the Arkansas hearing represented a monumental advance in state administrative law and that such procedure on the part of the states as a whole would go a long way to preserve state regulation over insurance.

All Parties Represented

Among the witnesses for the bureau were Charles M. Close, vice-president Great American and chairman of the bureau's governing committee; Walter Plangman, bureau director; George D. Suter, bureau manager; Hugh Garland, secretary Corroon & Reynolds; Andrew H. Burbridge, vice-president Union National Bank, Little Rock and head of its premium finance department; and Leon Wertz, president Arkansas association.

Only witness for North America and its installment plan was Charles F. Littlepage, assistant vice-president, who was on the stand for almost a day and a half during which he faced a penetrating cross-examination principally at the hands of Charles P. Butler, executive vice-president of N.A.I.A. who, along with Walter H. Bennett, its counsel, was serving as counsel for the Arkansas agents, and Edward L. Wright, bureau counsel and prominent Little Rock insurance and trial lawyer.

When Mr. Garland took the stand to testify from a prepared statement on the five-year installment plan, Mr. Phillips strenuously objected to the statement on the ground that it constituted opinion and not fact, which the hearing was attempting to develop. After opposing counsel had battled this issue back and forth before Commissioner Graves for about 20 minutes, the commissioner finally ruled that the Garland paper would be accepted in the record but that he would consider only such parts of it as were relevant and factual to the point at issue. Mr. Garland then read the entire statement, which proved to be an argument against the installment plan, replete with examples and comparisons and buttressed with references to Arkansas' own fire rating law.

"Term Practice" Deviations

In cross-examining Messrs. Plangman and Suter of the Arkansas Bureau, both of whom had testified that the installment plan was a deviation from the term rule, Mr. Phillips drew admissions from each that there was nothing in the rule which said when or how the premium would be paid. He tried to establish that the North America plan was not a deviation of the rule itself but from "term practice" under the rule. Bureau counsel by redirect examination countered by attempting to point out that the two things were indivisible and that, his-

torically, the term rule presupposed cash prepaid policies.

Among the exhibits placed into the record was a calculation showing the probable effect of the premium installment plan on the underwriting profit computation of companies with the Arkansas department. The computation

was made by Mr. Suter, and showed that if the plan had been used by the 30 or more companies now using it for the five-year period, 1938-1942, during which stock companies doing business in Arkansas actually showed an underwriting loss below the 5% profit allowed by law, the 1938-42 figures would have, instead, showed an excess underwriting profit of \$533,987 which, he held, would have been a distortion of the actual situation because of the operation of the finance income data in the statistics. Mr. Phillips drew from Mr. Suter that his calculations were all base on assump-

tions, and were not a record in fact.

Mr. Burbridge, whose bank finances about \$750,000 in premiums each year, stated that the cost of collections is a minimum of \$1 per installment and that his bank could not finance premiums at the same rate as embodied in the North America plan because it would be unprofitable.

Both Mr. Butler and Mr. Wright bore in on Mr. Littlepage's testimony as to how the 3% installment finance charge of North America was computed and whether or not it contained any element

(CONTINUED ON PAGE 15)

Your
clients will
like this
Profitable
service

Every merchant, wholesale or retail, and many manufacturers, should have a Reporting Form to properly cover the value of their stocks and, in some cases, fixtures and improvements and betterments as well. In most cases, the values at risk fluctuate monthly and seasonally.

Agents of the Security Insurance Companies now write their own Reporting Form policies, both single and multiple location, when the entire risk is within one state. On interstate coverage, the policies are written by our General Cover Department, 90 John Street, New York, N. Y.

Stocks written under "specific amount" policies are at one time or another either over insured or under insured. This means unnecessary expense for the insured, or dangerously uninsured values. If the amounts of insurance are changed from month to month, expensive short rates must be paid. The only satisfactory solution to insuring fluctuating values is a Reporting Form — and it is also the most economical.

Security Insurance Companies

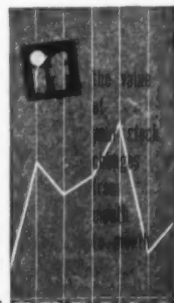
HOME OFFICE: NEW HAVEN, CONNECTICUT



Security Insurance Company of New Haven
The East & West Insurance Company of New Haven
New Haven Underwriters
The Connecticut Indemnity Company

1841 — "SECURITY," THE NATION'S WATCHWORD — 1950

These risks run to large values and big commissions. Clients and prospects both will thank you for telling them about this valuable service. To help you explain it, the Security Insurance Companies have prepared a new folder entitled "If the Value of Your Stock Changes from Month to Month." It tells about the new easy way in which Reporting Form policies may be written and their advantages. Send today for your free copy of this new folder, illustrated here — no cost or obligation.



Security Insurance Companies
New Haven, Connecticut

Please mail me, without cost or obligation, a copy of your new folder "If the Value of Your Stock Changes from Month to Month" telling about the new Reporting Form for fluctuating values.

Name _____ [please print]
Agency _____
Street _____
City or Town _____ State _____

Cheek Orders Bureau to Revise Installment Plan Endorsement

Says Abolition Impossible Since Plan Embraces Well-Established Rules

RALEIGH—Declaring that the premium installment payment endorsement embraces such well-established manual rules that little can be done to justify its abolition, Commissioner Cheek has ordered North Carolina Fire Insurance Rating Bureau to revise the endorsement in order to bring it into conformity with opinions of the attorney general.

The order, resulting from a three-day hearing at which mutual agents and the rating bureau attacked the install-

ment plan as discriminatory, called for its revision in the very near future. Meanwhile, the present endorsement will continue in use.

Mr. Cheek directed the bureau to indicate more specifically the method of cancellation in case of default in the payment of any installment in accordance with, and no more restrictive than, the cancellation provisions set forth in the North Carolina standard fire insurance policy form.

Also, he said, attention should be given to the possibility of incorporating in the endorsement a separate charge for automatic reinstatement to all classes of term or annual business at a rate in line with that which the bureau is able to justify under the plan.

He opined that the bureau should give consideration to a modification of the manual term rule so as to reflect the correct relation between a basic annual approved rate, a term rate where payment is made in cash in advance, and an installment rate.

The order recalled rulings of the attorney general prior to adoption of North America's installment plan on March 4, 1948. The North America endorsement contained the statement, "provided the liability of this company shall at no time exceed the actual cash value of the property at the time of

any loss." This was inserted to bring it into conformity with the attorney general's rulings, but the statement was eliminated in August, 1949, when a filing of the rating bureau superseded the North America plan.

It appears, said Mr. Cheek, that approval of these endorsements was on the understanding that it would result in a binding five-year contract and that criticism of the plan arose from its apparent treatment as an annual contract with more favorable treatment from the standpoint of rate than that given the buyer on an annual basis.

He said that evidence developed at the hearing indicated an extra charge of 3% for use of the installment plan included an allowance for the cost of automatic reinstatement, estimated at from .1% to 1% of the gross premium cost.

However, he noted the endorsement does not on its face specifically indicate that any charge is being made to provide for an automatic reinstatement. Furthermore, it appears that the endorsement itself embodies rules governing the writing of fire insurance policies that have been in existence for a number of years; namely, the term rule and the unearned premium endorsement, and that little can be done to justify abolition of the endorsement so long as these manual rules remain effective in their present form.

Cancellation Method Vague

One concern, he said, is that language in the endorsement does not indicate specifically the method of cancellation in the event of a default in the payment of an installment.

He said he felt that use of the endorsement would mean eventually that all term insurance, if not all fire insurance, would be bought on an installment basis. At the same time, he said he thinks that the present differential between the manual and term rates resulting from the use of term discounts has not been supported by any statistical data.

Rates approved are basic annual rates and are justified by the most recent five years' experience, he said. That experience embodies premiums collected from buyers on the annual as well as the term basis. And any marked degree of change from annual to term writings, over that under which the most recent five-year experience was based, will result in an incorrect basic rate.

F.I.A. Promotes Wilson to Pacific Assistant Manager

Factory Association has named J. A. Wilson, executive special agent of the western regional office in Chicago, as assistant manager in the Pacific regional office at San Francisco effective April 1.

Mr. Wilson was in the automatic sprinkler business as a fire protection engineer until 1926, and until 1944 he was with Western Sprinkled Risk Assn. serving as inspector and engineer, resident special agent and engineer at Detroit, and assistant manager at Chicago.

Mr. Wilson was appointed special agent for F.I.A. at Chicago in 1944 handling Illinois and Tennessee, and since 1948 he has acted as executive special agent handling large accounts in the western regional territory.

New Coeur d'Alene Agency

The Quarles Agency has been formed at Coeur d'Alene, Ida., by W. P. Quarles and Jack R. Warner, who resigned recently as special agent at Spokane for New York Underwriters. Mr. Quarles has been in the local agency business for 10 years, except for army service.

Commingle Fined

The New York department has fined the De Moss agency at Albany \$250 and the Mac Clary-Stabler agency at Endicott, \$150, for violation of the law prohibiting commingling of companies and producers funds. The fine in each case followed an investigation and a hearing.

Issue of Ease of Deviation Raised in N. Y. Hearing

NEW YORK—One point raised in the multiple location hearing at the New York department was that if it is too easy under the rating law and departmental regulation to deviate from the rates and forms of the rating organization then the rules and rates of the organization do not mean much. This problem seems to be troubling rating bureaus elsewhere as well as in New York.

Abraham Kaplan, counsel for New York Fire Insurance Rating Organization, raised the question in the New York hearing. He said he specifically disagreed with Roy C. McCullough, deputy and department counsel in the multiple location case, when Mr. McCullough took the position that any member of the rating organization has the right to move away from a filing made by the rating organization and independently file without going through the machinery as set up by law.

Company Has No Such Right

A company has no such right as was exemplified by Pearl, which filed an independent plan of rating M. L. business that the department approved. Section 185 of the rating law specifies that a company, member or subscriber, has to follow the bureau's filings unless it applies for deviation, the rating organization is given notice and the right to be heard; or files an appeal from a plan put in by the rating organization and authorized by the department.

Vincent Gallagher of Pearl when he was on the stand said that when he filed Pearl's plan he did not notify the rating organization.

Mr. Kaplan said the bureau's position is that a member of the rating bureau has no right to resign partially. If such a right exists, which he denied, the rating bureau is meaningless. If it has not the power to bind its members, no one can be bound to anything, and the result would be no membership and no bureau.

The point also arose when some members voted yes and some no on the debit-credit M. L. plan that was authorized, should the bureau file only for the companies that voted yes and leave the other companies to their own devices? Mr. Kaplan believes this cannot be done, that the bureau must file for all of its members. Two remedies are provided in law, deviation or appeal. If there is also the right to file independently without notice of hearing then the law is meaningless.

Pierce Reports F.I.A. at New High Levels

Factory Insurance Assn. has a new high of insurance in force amounting to more than \$34½ billion, C. W. Pierce, president, reported at the annual meeting of F.I.A. in New York on Wednesday. "This tremendous amount of liability is a stirring challenge to management to handle the affairs of F.I.A. with the utmost discretion and good judgment," Mr. Pierce declared.

He also commented on the reduction in riot and civil commotion and malicious mischief rates; the fact that F.I.A. now insures nearly 10,000 "blue chip" American industries; the part which the F.I.A. fire safety laboratory plays in training and development of engineers and inspectors, and the educational material distributed nation-wide by the F.I.A. department of information.

The 1949 was a favorable loss year for F.I.A., he said. Officers were re-elected.

California Blue Goose will hold its annual "big honk" May 27 at Valley Park Country Club in San Fernando valley. Lou Maupin is chairman.

Eye

RALEIGH forms written in were suggested series of cisioner Ch governing Other st during the by 23 com eral mem staff. Sp left, how named by gession to On this of Miami, B. M. An cut Gener York, Ban of Raleigh Langille o Life; and Pyramid I

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DUBUQUE FIRE & MARINE

Insurance Company

Dubuque, Iowa

Organized 1883

FINANCIAL STATEMENT

December 31, 1949

ADMITTED ASSETS

Cash in Office and Banks.....	\$ 510,873.75
United States Government Bonds....	5,341,683.40
Total Cash and U. S. Government Bonds	\$5,852,557.15
Common Stocks (Market value Dec. 31st)	315,300.00
Agents' Balances, Less than 90 days due	501,224.32
Reinsurance Balances Receivable....	26,956.73
	528,181.05
Other Assets	21,640.27
Total Admitted Assets.....	\$6,717,678.47

LIABILITIES

Reserve for Unearned Premiums	\$3,528,149.28
Reserve for Losses and Adjustment Expenses	403,438.72
Reserve for Taxes	168,571.14
Reserve for All Other Liabilities....	190,257.50
Total Liabilities Except Capital....	\$4,290,416.64
Capital	\$1,150,000.00
Surplus	1,277,261.83
Surplus as Regards Policyholders....	\$2,427,261.83
Total	\$6,717,678.47

Eye Insurance-Loan Tie

Commissioner Cheek of N. C. Holds Hearings in Move to Eradicate Abuses in Finance Field

RALEIGH, N. C.—Standardized policy forms for life and A. & H. policies written in connection with small loans were suggested during the first of a series of conferences on which Commissioner Cheek plans to base regulations governing small loan business.

Other suggestions also were advanced during the two-hour conference attended by 23 company representatives and several members of the commissioner's staff. Specific recommendations were left, however, to a committee of six named by the group at Mr. Cheek's suggestion to study the problem.

On this committee are K. A. Landon of Miami, representing Union Mutual; B. M. Anderson of Hartford, Connecticut General; Harry O. O'Brien of New York, Bankers Security; H. F. Ledford of Raleigh, State Capital; Justin E. Langille of Greenville, S. C., Liberty Life; and J. A. Law of Charlotte, N. C., Pyramid Life.

Landon Makes Suggestion

Mr. Landon suggested standardizing the policy forms after the conference produced reports that wide variance in policies now being written is one of the major faults of the system. Bascom Baynes of Durham, representing Home Security Life, which he said is gradually retiring from the small loan business, said his company has "a different type plan for about every kind of bank we do business with." Mr. Baynes said he believed that "we will have to get together on a unified system."

The policy variance has developed over the years, he said, because of the requirements made by the various institutions handling such insurance in connection with loans they make. Others attending the session said they had encountered the same situation.

Allen Sees Idea

Arch Allen of Raleigh, representing State Capital Life, termed Mr. Landon's suggestion "a very fine idea."

Mr. Cheek warned the group that abuses of the small loan policies threaten the existence of the business. Personally, he said, he thinks there is a real need for such insurance "and I don't want abuses here and there to endanger it."

The commissioner said he was concerned with a number of phases of the business. He cited specifically (1) how a policy writing fee should be charged; (2) how to prevent a loan company from collecting a premium and keeping it without notifying the insurance company; and (3) the use of coercion in selling the policies.

Sees Possible Violation

"I don't think these loan agencies should load a man up with insurance just to collect the commissions," the commissioner said. "When they do that, they may not be violating a law right now, but I can assure you there will be a law to prohibit it before long."

Policy-writing fees now range from \$1 to \$2. Mr. Cheek said he was debating whether these fees should be on an annual basis or should be required each time a loan is made. According to Mr. Landon, borrowers average about three loans each per year. "It is unbelievable," he commented, "how the same people seem to stay in debt all the time."

C. A. Rollins of Birmingham, representing Protective Life, expressed the thought that any regulations should provide for control of the so-called "profit-sharing" arrangements whereby lending agencies with a good loss experience receive back part of the premiums, making their share larger than the customary commission. Actually, Mr. Rollins said, these premiums should be returned to the insured instead of the agency.

Wofford Humphries, chief deputy com-

missioner for the state, suggested that a detachable receipt for insurance be placed at the bottom of loan applications. This would inform the borrower that he is entitled to a receipt for any insurance he is required to carry, he pointed out. One of the complaints heard, Mr. Humphries said, is that in many instances borrowers never receive

any evidence that they have insurance, and in some instances the premiums they pay are in excess of the cost of the insurance which actually is issued.

"We should undertake an educational campaign in the newspapers to let the public know they are entitled to the policies and should insist upon getting them," commented Mr. Landon.

"We must recognize that lending has become a legitimate springboard for selling insurance," Mr. Landon continued. "I think collateral requirements should be minimized, but borrowers need some amount of insurance. When it reaches the point where it is only an accommodation to the lender and means

nothing to the borrower, it ought to be stopped."

"We need to control it a little better," observed Mr. Baynes. "Blank coverage with no policy issued is not fundamentally sound."

James M. Bates of Durham, representing Home Security Life, suggested including the policy fee in the premium. However, Mr. Humphries said this would raise a question of discrimination.

A second committee was named at the close of a second conference Tuesday on credit insurance. This committee is to submit recommendations from

(CONTINUED ON PAGE 12)

ADT PERFORMANCE 1949

Year after year the high ratio of immunity from fire and burglary losses is convincing proof of the exceptional effectiveness of ADT Central Station Protection Services.

The accompanying performance record for 1949 merits the careful consideration of owners, business executives and others responsible for property protection.

BURGLAR AND HOLDUP ALARM SERVICES

Attacks on ADT Protection	1,866
Entrances effected	1,017
Captures as result of burglar, holdup and other emergency alarms	739
Insurable values of properties protected	\$2,439,854,000*
Ratio of losses to insurable values protected	1/100th of 1%
Burglary loss immunity in 1949	99 ⁹⁹ / ₁₀₀ %

AVERAGE BURGLARY LOSS IMMUNITY DURING THE PAST TEN YEARS 99⁹⁹/₁₀₀%

*Not including ADT-protected values in bank vaults, the U.S. Treasury, 26 Federal Reserve Banks and branches, the U.S. Mints and the U.S. Bullion Depositories at Fort Knox, Ky., and West Point, N. Y.

WATCHMAN'S REPORTING AND MANUAL FIRE ALARM SERVICE

Investigations of failures of watchmen to signal Central Station on schedule	203,651
Total number of signals recorded	350,217,000
Watchmen's patrol efficiency	99 94/100ths %
Alarms from Manual Fire Alarm Boxes	1,167
Insurable values of properties protected	\$15,157,491,000
Ratio of losses to insurable values protected	3/100ths of 1%
Fire loss immunity in 1949	99 ⁹⁷ / ₁₀₀ %

AVERAGE FIRE LOSS IMMUNITY DURING THE PAST TEN YEARS 99⁹⁶/₁₀₀%

SPRINKLER SUPERVISORY AND WATERFLOW ALARM SERVICE

Supervisory alarms, indicating temporary impairment of sprinkler systems	181,127
Waterflow alarms, caused by fires or serious leaks	2,383
Manual fire alarms	112
Insurable values of properties protected	\$8,572,030,000
Ratio of losses to insurable values protected	2/100ths of 1%
Fire loss immunity in 1949	99 ⁹⁸ / ₁₀₀ %

AVERAGE FIRE LOSS IMMUNITY DURING THE PAST TEN YEARS 99⁹⁸/₁₀₀%

These figures are of special significance because they reflect the importance of continuous supervision, regular inspections and tests, and proper maintenance. Such specialized attention is essential to constantly dependable protection service.

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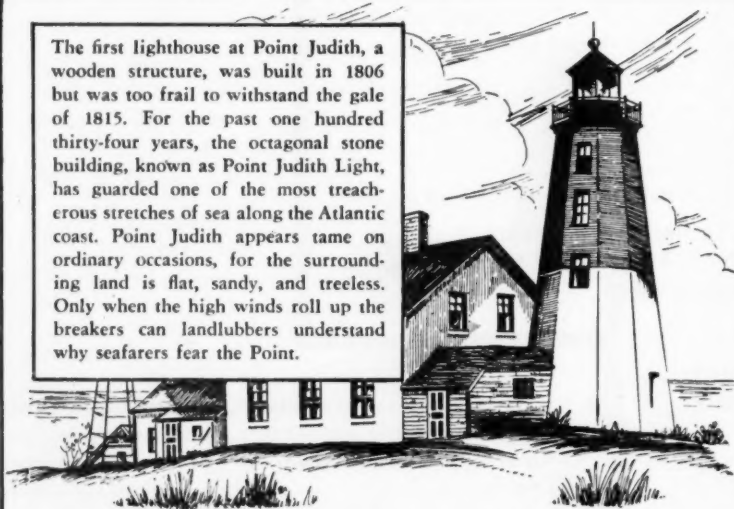
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The first lighthouse at Point Judith, a wooden structure, was built in 1806 but was too frail to withstand the gale of 1815. For the past one hundred thirty-four years, the octagonal stone building, known as Point Judith Light, has guarded one of the most treacherous stretches of sea along the Atlantic coast. Point Judith appears tame on ordinary occasions, for the surrounding land is flat, sandy, and treeless. Only when the high winds roll up the breakers can landlubbers understand why seafarers fear the Point.



For more than a hundred years, the Pawtucket Mutual Fire Insurance Company has been guarding the property of its policyholders and providing continuous dividend payments and prompt loss settlements.



INCORPORATED 1848

PAWTUCKET MUTUAL

FIRE INSURANCE COMPANY

26 MAPLE STREET, PAWTUCKET, RHODE ISLAND

J. H. Bishop New Cleveland Secretary

Joseph H. Bishop, Jr., has been appointed new executive secretary of Insurance Board of Cleveland to succeed S. J. Horton, who has retired after more than 30 years of service, but will continue in an advisory capacity.

A native of Virginia, Mr. Bishop moved to Cleveland in 1942 in charge of the Claims Bureau field office of Assn. of Casualty & Surety Companies. In world war 2 he served in the coast guard reserve.

Mr. Bishop is a law graduate of Columbia University. He practiced law in Virginia from 1931 to 1933 and in 1934 was with the FBI at Washington principally engaged in war risk insurance, bankruptcy and anti-trust matters. Since 1940 he has been with Assn. of Casualty & Surety Companies.



J. H. Bishop, Jr.

Convention Dates

March 24-25, National Assn. of Insurance Agents, Rocky Mountain Territorial Conference, Broadmoor Hotel, Colorado Springs.

March 24-26, National Assn. of Casualty & Surety Agents, regional meeting, Atlanta Biltmore hotel, Atlanta.

March 27-30, Midwest territorial conference of N.A.I.A. and meeting of N.A.I.A. National State Directors, Statler Hotel, St. Louis.

March 29-31, Zone 3 National Assn. of Insurance Commissioners, Delano hotel, Miami Beach, Fla.

April 3-4, N.A.I.C. uniform accounting subcommittee, Hotel Commodore, New York.

April 12-14, zone 4, of National Assn. of Insurance Commissioners, Edgewater Beach Hotel, Chicago.

April 14, New Jersey Agents, midyear, Hildebrecht Hotel, Trenton.

April 17, Rhode Island agents, midyear, Sheraton-Biltmore Hotel, Providence.

April 17-18, National Assn. of Insurance Agents, Far West Agents Conference, St. Francis Hotel, San Francisco.

April 20-21, National Assn. of Independent Insurers, regional, Plaza Hotel, San Antonio.

April 22, zone 2 National Assn. of Insurance Commissioners, Wilmington, Del.

April 25-26, Western Underwriters Assn., White Sulphur Springs, W. Va.

April 27-29, Louisiana agents, annual, Alexandria.

May 1-3, U. S. Chamber of Commerce, annual, Washington, D. C.

May 1-3, Inland Marine Insurance Bureau and Inland Marine Underwriters Assn., annual meetings, White Sulphur Springs, W. Va.

May 3-5, Iowa Assn. of Insurance Agents, annual, Sioux City.

May 4-5, Insurance Federation of Pennsylvania, annual meeting, Hotel William Penn, Pittsburgh.

May 4-6, North Carolina agents, annual, Carolina Hotel, Pinehurst.

May 5-6, Florida Assn. of Insurance Agents, annual, Ormond Beach hotel, Ormond Beach.

May 8-9, New York agents, annual, Hotel Syracuse, Syracuse.

May 8-10, American Assn. of Managing General Agents, Edgewater Gulf hotel, Edgewater Park, Miss.

May 10-13—Insurance Accounting & Statistical Assn., annual meeting, Hotel Statler, Boston.

May 11-13, Mississippi Agents, annual, Buena Vista Hotel, Biloxi.

May 11-13, Texas agents, annual, Fort Worth.

May 15-16, Oklahoma Agents, annual, Tulsa.

May 15-17, National Assn. of Mutual Insurance Agents, midyear, Cavalier Hotel, Virginia Beach.

May 15-18, National Fire Protection Assn., annual, Atlantic City.

May 16-18, Kansas field clubs, Larson hotel, Wichita.

May 17, Midwestern Independent Statistical Service, Hotel La Salle, Chicago.

May 18-20, Arkansas agents, annual, Arlington Hotel, Hot Springs.

May 17-19, Alabama Agents, annual, Montgomery.

May 22-23, Casualty Actuarial Society, spring meeting, Red Lion Inn, Stockbridge, Mass.

May 22-24, American Management Assn., Insurance section, Hotel Statler, New York.

May 29-31, Southeastern Underwriters Assn., annual meeting, Homestead hotel, Hot Springs, Va.

June 5, Connecticut Agents, midyear, Tamarack Country Club, Greenwich.

June 5-7, H. & A. Underwriters Conference, annual, Hotel Statler, New York.

June 12-16, National Assn. of Insurance Commissioners, annual, Quebec.

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C.P.C.U. IN ACTION

Aspects of Professional Service Agent Can Render

BOSTON—How to meet price competition, the elements of complete protection, and what non-occupational disability coverage means to the local agent were discussed by members of the Connecticut chapter of C.P.C.U. during the eastern agents' conference of the National Assn. of Insurance Agents here.

A number of helpful thoughts were put forth. Hugh W. Donovan, manager at Hartford of American Associated, acted as moderator. Other members of the panel were Bernard J. Daenzer, assistant secretary Connecticut Indemnity; H. J. Doolittle, superintendent survey department of Aetna Fire; Austin Carey, examiner of Aetna Fire; Herbert Bland, special representative at Hartford of Aetna Casualty, and Olaf I. Lilliedahl, secretary McManus & Co., Hartford.

Tendency to Hide Cost

There is still a tendency to hide the cost of agency service from the public, Mr. Daenzer said. Yet the public is always curious about what it pays for distribution and service in making the most ordinary purchase. People certainly want to know the cost of professional service, and he believes that if the public fails to investigate the cost of agency service, state insurance departments eventually will do so on the public's behalf.

Doctor, lawyer and dentist are not bashful about their bills for services rendered, why should the agent hesitate to declare his retainer? One agent bills as follows: Total insurance cost, \$1,000. For losses, adjusting expenses, company expense, \$800; for agency service \$200.

There is also a tendency to hide the actual operations, duties and professional services of the agent. In writing and speaking too much is said of specific lines of insurance, too little of the basic services of the agency. What are these services?

Selection of Company

Mr. Daenzer listed a number of them. One is that the client has an adviser who from long experience and careful analysis has selected certain insurers, freely and independently, because of financial condition, loss paying and underwriting practices, engineering and loss prevention departments and general reputation. The client is not dealing with a policyholder representative who is an employee of one company.

Also, the client has a professional buyer of insurance. The client needs someone capable of gathering all pertinent facts, surveying hazards, and presenting an organized pattern of coverages. He can tell the client what are catastrophe exposures and therefore absolutely essential to be covered and what are minor and merely convenient to be covered. The client will not find himself subject to a \$50,000 suit resulting from a sidewalk elevator accident without coverage though at the same time he has such frills as towing and road service on his pickup truck or a neon sign floater on some insignificant sign in the front window.

Services Are Expensive

The agent keeps the client up to date with new coverages, new rates, accordance of construction costs and coverage to avoid coinsurance difficulties, and effect of court decisions, state laws, tax laws, etc. He knows how to prepare insurance contracts, legal instruments which are the most widely used contractual forms in the world. There is much flexibility in them, and the agent knows how to tailor them to the exact needs of his client. This is an expensive service.

The agent is of invaluable service

when a loss occurs, in seeing that insured complies with his duties under the contract such as reporting a loss, protecting salvage, cooperating and settlements. In direct damage coverage especially, the agent acts as an intermediary in guiding the client through the machinery of adjustments. What may appear complex to the policyholder is a simple process to the agent who has been through many loss adjustments.

Finally, the client has the services of someone in his own community. The agent is close at hand. Insured does not have to deal with the cold and distant insurer. The agent is available at time of loss, for rate quotation, coverage explanation. The client does not have to write to the home office for engineering service. The agent is behind civic movements, pays local taxes and is a part of the community.

It is wrong for the agent, to himself and the business, to undersell his services and hide his agency skill and his

expensive know how, Mr. Daenzer said.

A professional man is a highly trained expert in an uncommonly complex field who is prepared to render expert advice based on the latest developments in his profession, Mr. Donovan pointed out in introducing the discussion of complete protection. Thus an agent has a professional job to do and is a professional man if he does it properly.

Complete protection is an attitude, Mr. Bland said, which is a recognition of the significance of the responsibility the insurance man owes to the public. This should be of paramount consideration and necessarily relegates commission to secondary place. Mr. Bland recently called on a manufacturing plant in Connecticut to make a complete analysis of the firm's insurance needs.

This is what he found: Compensation was written by a direct writing mutual with a terrific debit rate plus a retrospective rating plan which at the premium level involved was wonderful for the carrier and miserable for insured. The insurer had had the business for years, continued to carry the risk at a debit with no great concern for improving the risk. cursory engineering inspections were held but no concrete suggestion for improving the loss ratio was ever made. No report of loss ex-

perience ever was submitted to insured, though the management was progressive and eager to try anything which might improve the experience and reduce premiums.

There was no public liability coverage, though the firm is rated AA in Dun & Bradstreet. Insured asked whether it was common for firms of his size and in his kind of business to carry comprehensive liability protection. When Mr. Bland and the agent discussed the need for this coverage on the products liability hazard, which is of considerable consequence in his industry, insured said the firm had \$500,000 working capital to meet losses of this nature. However, he admitted he would very much dislike to use any part of it to meet these losses. He recognized that it was not a self insurance fund, nor regarded as such. No one had ever asked him to buy liability protection.

Can't Mass Apply Any Plan

A workaday plan must be devised to turn Mr. Bland's attitude into channels of everyday business, Mr. Carey believes. However, he thinks the word "plan" too cut and dried, like something out of a Boston cookbook—"Take all of insured's policies, mix with a little appraisal work, thoroughly confuse with

(CONTINUED ON PAGE 14)

It Takes TEAMWORK to Build Security...Strength...Service

UNITED STATES RESOURCES AS OF DECEMBER 31, 1949

Year Estab- lished		SECURITIES DEPOSITED AS REQUIRED BY LAW		TOTAL ADMITTED ASSETS	LIABILITIES	CAPITAL	SURPLUS TO POLICY HOLDERS (Includes Capital) Annual Statement Basis		Market Quotation Dec. 31, 1949
1896	American & Foreign Ins. Co.	\$261,241		\$15,193,139	\$ 8,879,793	\$1,500,000	\$ 6,313,346		\$ 6,477,927
1863	The British & Foreign Marine Ins. Co., Ltd.*	923,580		9,042,963	4,777,239	500,000	4,265,724		4,334,586
1922	Eagle Indemnity Co.	684,864		13,170,293	7,747,624	1,000,000	5,422,669		5,509,474
1911	Globe Indemnity Co.	805,000		74,778,669	50,297,282	2,500,000	24,481,387		25,356,670
1836	The Liverpool & London & Globe Ins. Co. Ltd.*	758,780		33,231,286	20,950,134	500,000	12,281,152		12,579,265
1811	The Newark Fire Ins. Co.	515,551		19,712,162	11,878,936	2,000,000	7,833,226		8,064,453
1891	Queen Insurance Co. of America . . .	625,923		50,155,622	30,462,444	5,000,000	19,693,178		20,155,424
1910	Royal Indemnity Co.	968,649		73,477,347	46,894,457	2,500,000	26,582,890		27,411,416
1845	Royal Insurance Co., Ltd.*	711,198		37,867,207	23,638,379	500,000	14,288,828		14,527,018
1896	Star Ins. Co. of America.	471,684		17,332,803	10,586,322	1,000,000	6,746,481		6,876,401
1860	Thames & Mersey Marine Ins. Co., Ltd.*	662,983		5,373,366	2,658,577	500,000	2,714,789		2,735,866
1832	Virginia Fire & Marine Insurance Co.	300,077		5,395,655	3,187,851	1,000,000	2,207,804		2,270,760

† Includes Securities Deposited as required by Law.

* United States Branch. The amount shown under "Capital" is the statutory deposit required to transact business in the U.S.A.

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U. S. MUTUAL CRACKS UP

Ill. Department Orders Lilies for Auto Club Insurer

United States Mutual of Chicago, which is affiliated with Illinois Automobile Club, finally appears to be headed for the graveyard. It has been skating on thin ice for the past several years, but several times came up with rescue funds when it was challenged by the state authorities and kept going. Its last chance expired March 17. It had been ordered to produce \$322,266.38 take care of a deficit by that date, or else—. The money was not forthcoming and on March 22, Insurance Director Hershey of Illinois referred U. S. Mutual to the Illinois attorney general and at the same time directed the company to discontinue writing new or renewal business. The attorney general will bring action at Chicago seeking the issuance of an order to the company to show cause why it should not be liquidated. Customarily a company gets 20 days to respond to such an order.

John R. Doolin is the president of the insurance company and is also an important factor in the automobile club. At Dec. 31, 1948, U. S. Mutual reported assets \$577,605; premium reserve \$268,887; loss reserve \$215,106; surplus \$46,275; premiums written \$556,624; premiums earned \$465,797; losses \$306,583; expenses \$196,333, combined ratio 101.1.

Covers Catastrophes

The cost of hospital care up to \$10 a

North Carolina Eyes Insurance-Loan Hookup

(CONTINUED FROM PAGE 9)

companies writing automobile P. D. Named to the group were: C. W. Eberhard of Columbus, O., representing Farm Bureau Mutual and State Farm; J. G. Myerson of Raleigh, Universal CIT Credit Corp.; Eugene E. Heaton of Baltimore, Calvert Fire; K. A. Landon of Miami, representing an insurance finance group; Hugh Cathey of Charlotte, N. C., Southeastern Fire, Twin States and Blue Ridge; T. A. Wilson of High Point, N. C., representing textile insurance; S. G. Otstot of Raleigh, executive secretary North Carolina Assn. of Insurance Agents; C. S. Lancaster of Boston, Liberty Mutual, and V. Dawson Durrett of Raleigh, Motors Insurance.

Mr. Landon, who was chosen secretary of the first committee, reported that his group had met and decided upon recommendations which will be submitted shortly by Mr. Ledford, who was elected chairman. The second group also met immediately and made plans to submit its recommendations at an early date.

Commissioner Cheek stated at the second conference that it is his intention "to consider any one writing insurance policies as an agent, whether he be employed by an insurance company, a loan or auto finance company, or an automobile agency." Mr. Humphries informed the group that the department is considering regulations which would require companies to give direct notices to the assured in event of a cancellation or policy change, prevent agents from bargaining with the assured after the company has transmitted payment for loss and require companies and their agents to maintain complete records of premium refunds.

Fred W. Blanton of Shelby, president of Blue Ridge, expressed the opinion that life policies should be limited to the unpaid balance on the loan, and A. & H. policies to the amount of the monthly payments. Neither should be a pre-requisite to obtaining a loan, he stated, but should be optional with the borrower.

day for 365 days for each illness will be paid under a new provision for certain health policies issued by Connecticut General Life.

The provision was designed to protect against "catastrophic" expenses of disease involving long hospital treatment. No diseases are excluded.

The new benefit can be added to all new health policies and to some previously issued. In the past hospital benefits were limited to 70 days.

A small additional premium charge will be made for the additional coverage, varying for men and women and for age groups. For men between 18 and 50 years of age, the extra charge is 85 cents a year for each \$1 a day of hospital cost covered by the policy.

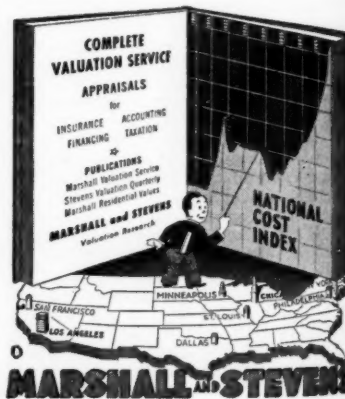


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The Pioneer Organization

Asks
Come
Cargo

Shippers can play a motor truck purchasing insurance, superintending, told insurance Buyer. Keeping principle of spread the that in the concentrated minimal invol hundreds of The burden most cases many and where there pay off the pers would age, the gre allow the co ably on tru declining co lessening of the cargo li Market in

The need cargo insur Mr. Frigon vailing cond attractive to definite sign the part of fallen off w come; many paying off road equip increased to of profit ha In an eff markets at have placed contracts, s much as \$3 a truckload Mr. Frigon suffer at le which is \$5 ons affect Individual tracts assu company's s ected while ter what tru shipper is g the part of without the where a tru

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Asks Shippers to Come to Aid of Cargo Market

Shippers of goods via long haul truck can play a large part in alleviating the motor truck cargo insurance market by purchasing shippers transportation insurance. I. S. Frigon, inland marine superintendent of Underwriters Adjusting, told members of Mid-West Insurance Buyers Assn. last week at Chicago.

Keeping in mind that the fundamental principle of good underwriting is to spread the risk, Mr. Frigon pointed out that in the motor truck line values are concentrated on one truck or in one terminal involving property belonging to hundreds of shippers and consignees. The burden of meeting this liability in most cases falls on one insurance company and the point has been reached where there is not enough income to pay off the multiple losses. If the shippers would purchase their own coverage, the greater premium volume would allow the companies to look more favorably on trucking business, resulting in declining costs for the truckers and a lessening of the danger of bankruptcy of the cargo lines.

Market in Bad Shape

The need for a market for long haul cargo insurance is greater than ever, Mr. Frigon remarked. However, prevailing conditions do not make the class attractive to the underwriter. There are definite signs of financial instability on the part of some truckers; tonnage has fallen off with a consequent deflated income; many trucking companies are still paying off obligations for badly needed road equipment, and labor costs have increased to the point where the margin of profit has narrowed considerably.

In an effort to retain their insurance markets at lower rates, some truckers have placed high deductibles in their contracts, some of them running to as much as \$5,000. The average value of a truckload today is close to \$10,000, and Mr. Frigon observed that many truckers suffer at least 10 catastrophes a year, which is \$5,000 per loss and has a serious affect on their financial condition.

Individual shippers transportation contracts assure the buyer that his own company's material and goods are protected while in course of transit no matter what trucking company is used. The shipper is given the additional service on the part of the insurer to pay claims without the delays which are inevitable where a trucking company is concerned.

Detroit Insurance Agency Has 13 New Officers

Election of 13 new officers of Detroit Insurance Agency, has been announced. Newly elected officers include: William S. Faber and David T. Marantette, vice-presidents; Fred M. Beyer, Gordon D. Daugharty, Alex C. Keith, Leon G. Mallett, James E. Seymour, Irvin J. Speier and Theodore R. Stevens, secretaries; Daniel F. Sullivan, Jr. (New York) assistant secretary; Walter G. C. Smith, general manager; Frank M. Schuck, comptroller, and George A. Dungan, manager casualty department. George W. Carter is president; Henry L. Newman, vice-president, and Louis J. Lepper, secretary-treasurer.

Conference in Washington on Compensation

WASHINGTON—Dewey Dorsett, general manager Assn. of Casualty & Surety Companies, acted as moderator of a panel discussion on cooperation to facilitate rehabilitation of injured workers at the national conference on workmen's compensation and rehabilitation here this week, sponsored by Secretary of Labor Tobin and Federal Security Administrator Ewing.

Ind. Decisions at Odds on Ft. Wayne Insurer

The Indiana insurance department and attorney general had no part in the court proceedings at Fort Wayne whereunder Firemen & Mechanics of that place won a decision that its special charter that was granted by the legislature in 1850 is a perpetual charter rather than a 100-year charter. Previously the attorney general and the insurance department had gotten a permanent injunction in the Marion county court at Indianapolis permanently restraining the company from issuing policies under the automobile financial responsibility law.

The attorney general was not apprised of the proceedings at Fort Wayne and apparently the judge there was not cognizant of the proceedings in Marion county.

Circuit Judge Schannen at Fort Wayne gave his decision following an emergency hearing. He ruled that the insertion of the words "for 100 years" in the charter of the company was mere surplusage and that the charter is actually perpetual.

The hearing was demanded by Attorney W. O. Hughes. The state's case was presented by Chief Deputy Prosecutor Lincoln. He said he had received protests from policyholders that they

were not being protected by their contracts and that he acted under the law authorizing a prosecuting attorney to seek an injunction where a charter has expired. The 100 years was up Jan. 21, 1950.

Paul W. Sult, president of Firemen & Mechanics, was the sole witness. He said the company had 8,500 policies and writes fire, life and casualty insurance, and its capital is \$150,000 and that more than "\$225,000 in insurance is in effect." He said the company is wholly solvent, that there are no disputed outstanding claims and no judgments against the company. He said A. Waibel is secretary, R. W. Bond and V. L. Forbing, vice-presidents, and A. C. Sult, assistant secretary.

Ricketts in New Post

Capital Indemnity of Indianapolis has appointed Russell S. Ricketts as manager of agencies. Mr. Ricketts has been in the Indiana field for 19 years, having served with the Fidelity & Casualty and Wolverine.

License Renewal Denied

The Rhode Island has been notified that its certificate of authority to transact insurance in Washington and Oregon will not be renewed.

Vandegrift to New Post

National Union has named A. F. Vandegrift as Kentucky state agent in charge of production. He is widely known throughout the state and has a background of experience of many years' standing.

Jones Returns to Topeka

W. H. Jones, former Kansas field man, has returned to the state to head the casualty and surety department of the Miller-Studebaker General Agency, Topeka. Before he went to Detroit two years ago to engage in the automobile business, he was Kansas state agent of Automobile and Standard at Topeka and was active in field organizations.

Change Firm Name

Newhouse & Sayre of California has changed its name to Sayre & Toso. Ownership and control of the company remains unchanged with Harold J. Toso as vice-president and general manager.

James J. Butler, former examiner in the New York department, who has been on leave since July, 1949, has been named controller of Lumbermen's Mutual Casualty.

Is the Insurance Agent really "a Good Man to Know"?



SHOULD THE AGENT "SELL" MORE INSURANCE?

What Should We Do—
"Sell" People
or Help Them "Buy"?

One reason the insurance agent is "a good man to know"—he doesn't *sell* people insurance, he helps them *buy*!

There's a difference, of course.

Granted that by urging, by insisting, by making exaggerated claims, you can *sell* a man some insurance.

But people don't like to be *sold*! They like—and appreciate—help in *buying*.

That's why the modern agent studies the customer's needs and shows him how insurance will

meet those needs. The man who "knows" doesn't have to sell his customers—he helps them *buy* the protection they need!

Of course, we can't discard the techniques of good salesmanship. We still need the emotional appeal of safety for home, business, income; we still need to spell insurance with a "U" and not with an "I".

But in the final analysis it's his knowledge of human needs and how insurance can and does meet those needs which makes the insurance agent "a good man to know".



Ohio Farmers Insurance Company

Chartered 1848 . . Le Roy, Ohio

OHIO FARMERS INDEMNITY COMPANY



THE INSURANCE AGENT IS A GOOD MAN TO KNOW

PROFESSIONAL SERVICES ANALYZED

(CONTINUED FROM PAGE 11)

a large measure of coinsurance, drain off non-concurrence, allow to rise to highest limits, bake at the going rate, sprinkle liberally with recommendations, and while still red hot wrap in fancy binder and present to insured." So many plans, risk analyses, survey approaches, etc. are mass produced. Insured may get what he should have or he may not, but it still leaves considerable up to chance.

Complete protection requires a tailor made job. This requires the attitude Mr. Bland mentioned—the will and confidence; a detailed knowledge of customer and his business, and a professional skill in fitting these details together to provide exactly what the customer wants and needs. The second is perhaps the most difficult and the point at which agents fall flattest in supplying protection. It is difficult to make the

insured's business the agent's business by analysis, study, etc., to the point where the agent knows it almost better than insured, physically and financially. The agent can't know what complete protection is until he knows what he is protecting, until he knows the risk inside and out.

Mr. Doolittle dealt with amounts of coverage, stressing their danger and logic of using, as so many agents have become accustomed to doing, the minimum amounts or limits in rating manuals. These amounts are simply starting points. That so large a percentage of losses to industry are only partially insured is an indictment of the agents' entire sales procedure. There is no such thing as a standard limit, since no two enterprises are alike. Low or minimum limits are sold because agents think they are easy to sell, yet adequate limits are easier to sell because they make sense to the client.

Details of Writing Coverage

Does it seem logical that for small bodily injury claims double the amount per person will cover any number of additional persons but for a bodily injury limit of \$100,000 three times that amount is necessary for two or more persons? Mr. Doolittle asked if agents realized that if they are writing minimum limits on ordinary premises liability policies and the loss experience is averaging .50%, by increasing the coverage on all business to limits of \$50,000 per person and \$100,000 per accident, the premiums will be increased 24% and the loss ratio reduced nearly 10%. He asked also if agents always recommended the same aggregate limits for each accident or occurrence. There certainly should not be \$500,000 property damage for fire and lightning and only \$25,000 for steam boiler explosion.

The 80% coinsurance clause universally confuses agents' thinking, he suggested. Does any bank require insurance only to 80% of the amount of the mortgage on a piece of real estate? Then why should agents accept 80% insurance to value as a standard limit? Practically every frame or brick building should be insured 100%. Every policy incorporating the demolition clause requires 100% coinsurance to value. Yet Mr. Doolittle said he hears over and over again that the 100% coinsurance clause is dangerous. Is it any more dangerous to write 100% to value with the 100% clause than to write exactly 80% of the same value with the 80% clause?

Complete protection, he summed up, is a professional attitude toward the job to be done, knowledge of customer's business, knowledge of insurance, abil-

ity to measure exposure, proper classification and selection of coverages, and ability to write the contracts correctly and collect the premium.

Non-occupational disability coverages afford a potential market involving millions of dollars of premiums, and Mr. Lilledahl wants to be sure that local agents get their share. The agent has been slow to point out advantages of private plans in states where such disability is written. However, they are now beginning to wake up. Perhaps they have been slow because they failed to realize the size of the premiums. Commission rates are low, but there is an obligation to protect the public, and the premiums are large, he said. It is a worthwhile line to go after.

There is also the need to serve existing customers, and this is coverage they must have. It represents a chance to oppose socialistic trends.

Minnesota Agents Hold Lively Mid-Year Rally

(CONTINUED FROM PAGE 2)

the losses with cash that helped to rebuild the town.

Mr. Holloran stressed the record of the fire and casualty companies in 1949 when they settled approximately 800,000 claims in 18 states in the midwest with only 25 cases going to court.

A history outline of London Lloyds and its operations was given by Leo B. Menner, vice-president of Stewart, Smith (Ill.) Inc. He listed some of the unusual losses that have been paid by Lloyds.

Opportunity for Foreign Insurance

How local agents can share in foreign insurance business originating in their own communities was explained by R. Maynard Toelle, midwest supervisor of American Foreign. The U. S. ships billions of dollars of merchandise to other countries, and this enormous business needs insurance coverage, he pointed out. The ambitious local agent in almost any midwest state can get his share by contacting local exporters.

The final session was a model regional agents' meeting put on by the Southeastern Minnesota association with Donald D. Russell, Rochester, presiding. The speaker was Emerson H. Westwick, midwest safety expert of Assn. of Casualty & Surety Companies. Mr. Westwick urged agents to get behind the program for driver training in high schools as one way to cut down traffic hazards.

The panel discussion on the effect of the amended wage and hour law on local agencies conducted by Miss Ruth Bernard, Mr. Russell and Robert Ashcraft, all of Rochester, brought out that while local agencies come under the act, some employees are exempt. The agents were advised to keep a complete and detailed record of their staff in case any question is raised.

A non-insurance speaker was Dr. Mitrofan Smorszczok, who gave his experiences in practicing medicine in Poland.

Presiding at the main sessions was Colby R. Hewitt, Dorset, state president.

Entertainment for the women was provided by St. Paul Assn. of Insurance Women.

More Than 20 States O.K. Manufacturers Output Form

Aetna Fire's manufacturers output policy has now been approved in more than 20 states and has been disapproved in seven, Louisiana being the most recent state to take negative action. Commissioner Martin of Louisiana states that the plan was rejected at this time for the reason there is not available, in the opinion of the department, sufficient statistical data to justify the fixing of a rate which would be "non-discriminatory, non-excessive, fair and reasonable" as contemplated by law and sound insurance rating.

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SPECIALIZE! DON'T MISS THE OPPORTUNITY to place Livestock Mortality Insurance for your clients. Our binding authority enables us to give you prompt service.

CAN YOU AFFORD to permit your valuable clients to go elsewhere for coverage which you cannot handle? Avail yourself of our world-wide facilities for the placement of Excess Public Liability and Property Damage; Liability or Excess Motor Truck Cargo; Surplus Fire and Extended Coverage; or other Excess and Special risks.

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INDIANA INSURANCE COMPANY

STATEMENT OF ASSETS AND LIABILITIES

December 31, 1949

ADMITTED ASSETS:		ASSETS	
Cash		\$ 688,557.44	
Bonds—United States Government—amortized value		1,524,520.30	
Bonds—State and Municipal—amortized value		1,499,199.09	
Bonds—Corporate—market value		15,580.00	
Stocks—market value		642,428.25	
Building and Loan investments		59,750.00	
Mortgage Loans		1,551.93	
Real Estate		26,025.28	
Premiums in course of collection less than 90 days		698,587.10	
Reinsurance recoverable on paid losses		23,748.23	
Other assets—accrued interest		17,306.99	
TOTAL ADMITTED ASSETS		\$5,197,254.61	
LIABILITIES AND RESERVES:		LIABILITIES	
Reserve for unearned premiums		\$2,250,698.75	
Reserve for unpaid losses and loss expenses		1,055,834.27	
Reinsurance premiums payable		107,558.60	
Reserve for commissions and other expenses		233,846.33	
Reserve for taxes		324,905.18	
TOTAL LIABILITIES AND RESERVES		\$3,972,843.13	
CAPITAL STOCK AND SURPLUS:			
CAPITAL STOCK		\$300,000.00	
SURPLUS		874,411.48	
VOLUNTARY RESERVE		50,000.00	
SURPLUS TO POLICYHOLDERS		1,224,411.48	
TOTAL LIABILITIES, RESERVES, CAPITAL STOCK AND SURPLUS		\$5,197,254.61	

Fire-E. C. Is Indivisible Ill. Decision Holds

Holding that fire and E. C. is an indivisible contract Illinois appellate court has found that New York Fire correctly reduced its liability for fire loss by the amount it paid for windstorm damage. Here the fire and E. C. cover was in the amount of \$2,500. In 1945 New York Fire paid a windstorm loss of \$805. In 1947 the place was totally destroyed by fire, the loss exceeding \$2,500. New York Fire was held to be liable for \$2,500 less \$805. The case was Oller vs. N. Y. Fire. Alexander county circuit court (Cairo) had held in favor of the insured. The higher court agreed with New York Fire that no matter what perils cause the losses, the extent of its liability is \$2,500.

Ark. Decision on Term Plan May Be 90 Days Off

(CONTINUED FROM PAGE 7)

of profit. Mr. Littlepage acknowledged that one-tenth of 1% of the charge was for the reinstatement feature of the endorsement, leaving the remainder of 2.9% for other cost factors peculiar to the handling of policies on the installment basis. To Mr. Butler's repeated questioning whether or not North America allowed for a profit factor in the 3% charge, Mr. Littlepage answered, "Not in so many words." On the following day in an answer to his own counsel on the same point, Mr. Littlepage said his company did not intend to make a profit on the charge but on the policy as a whole.

Mr. Littlepage readily admitted that



Here is shown a foursome from North America that engaged at Little Rock in presenting their company's viewpoint at the hearing on the installment payment plan before the Arkansas commissioner. Seated left to right are—John C. Phillips, assistant counsel of North America, and Charles F. Littlepage, assistant vice-president. Standing are Herbert Stewart, special agent in Arkansas, and Tom Walton, from the head office statistical department.

North America treated the "finance income"—as the installment charge was dubbed by Mr. Butler—as premium, and on this point bureau and agents' witnesses tried to point out that premium and loss statistics which insurance departments use as a basis for rate making would be distorted.

Another exhibit entered into the record was one prepared by Tom Walton, North America statistical department, who also attended the hearing but did not take the stand, showing 12 optional methods for purchasing coverage under present Arkansas bureau rules. This presentation was based on an assumed \$10,000 dwelling with an annual rate of \$1 and by a series of successive columns showed the cost to institute coverage and then the net cost to assured after a total loss at various intervals.

The hearing in the house chamber was well attended each day by Little Rock general, special and state agents as well as by numerous local agents.

Extend for 2 Years Life of Va. Code Group

The life of the advisory legislative committee to revise the Virginia insurance laws has been extended for two years by the legislature, at the request of the committee. The committee has been deliberating for two years. Insurance observers are gratified that the committee is going at its task so thoroughly and carefully and is not trying to jump the gun and come out with an ill-conceived program.

Westervelt Speaks

Fred W. Westervelt, Jr., manager of public relations for General Adjustment Bureau at New York, addressed a luncheon meeting of Pittsburgh Fire Loss Conference on "Practical Public Relations."

Add to Miami Agenda

Commissioner Martin of Louisiana as chairman of zone 3 of N.A.I.C., announces that there has been added to the agenda at the zone meeting at Miami March 29-30: Discussion of Manufacturers Mutual Fire of Rhode Island and discussion of rules and regulation of mail order insurance.

Dalrymple, Hyfield in Indiana Field Changes

Keith M. Dalrymple has been appointed as state agent in Indiana for Loyalty group replacing Ivan A. Hyfield, who has joined Pacific National in the Indiana-Kentucky field.

Mr. Dalrymple will have headquarters in Indianapolis. He has been manager of the Roberts agency at Olney, Ill., for five years.

Wind Loss to Trailers

An early season windstorm struck the Spartan trailer factory east of Tulsa, causing loss estimated at \$100,000 to completed trailers parked in the open adjoining the factory. About 35 trailers valued at \$3,000 to \$6,000 each were virtually splintered. The factory itself was not damaged to any extent.

King Speaks at South Bend

SOUTH BEND, IND.—Leslie King, manager of the A. & H. department of Hoosier Casualty, Indianapolis, spoke before South Bend-Mishawaka Assn. of Insurance Agents on "Everything Is Contagious." Mr. King for 10 years was Michigan state manager for Hoosier and joined the Indianapolis office in 1948.

Management Institute Set for Week of Aug. 14

The fourth annual institute for advanced agency management is scheduled for the week of Aug. 14 at University of Connecticut, it is announced by Clarence R. Rauter, director of education and research for National Assn. of Insurance Agents.

The institute this year will feature, among other subjects, a detailed study of the analysis of customers' accounts, selection and training of agency personnel, work simplification, and legal and tax problems of proprietorship.

As in past years, it will be sponsored by N.A.I.A. in conjunction with the school of business administration of the university and Connecticut Assn. of Insurance Agents. The tuition fee of \$60 will include all expenses for attendance.

Fires Hit Kansas Agencies

In a fire at Kansas City, Kan., the George E. Way agency was badly damaged but, except for charred edges, the dailies and records of the agency escaped serious injury. The agency has established a new temporary office.

The Shaw agency at Marysville, Kan., was burned out in a fire which destroyed the building in which it was housed.

Globe and Rutgers Fire Insurance Company

FINANCIAL STATEMENT AS AT DECEMBER 31, 1949

ADMITTED ASSETS

*Bonds—United States Government	\$ 4,123,501.97
*Bonds—All Other	2,872,309.33
*Stocks (Includes Subsidiary Companies at \$4,090,295.19)	8,531,130.19
Cash on Hand and in Banks	2,410,167.81
Premium Balances (Less Ceded Reinsurance Balances)	944,192.72
Interest Due and Accrued	44,839.33
Funds Held by American Marine Hull Insurance Syndicate	36,282.32
Other Admitted Assets	86,350.51
	<u>\$19,048,774.18</u>

LIABILITIES

Reserve for Losses and Loss Expenses	\$ 1,837,133.15
Reserve for Unearned Premiums	6,765,111.24
Reserve for Expenses, Taxes (Including \$210,722.96 Federal Income Taxes) and Contingent Commissions Due or Accrued	580,885.16
Funds Held under Reinsurance Treaties	552,999.92
Reserve for Retirement of Preferred Stock	214,976.54
Reserve for all other Liabilities and Items	178,386.90
	<u>\$10,129,492.91</u>

Capital Stock:

**\$4.00 Cumulative First Preferred Stock (8,450 shares \$15.00 Par Value)	\$ 126,750.00
**\$5.00 Cumulative Second Preferred Stock (33,381 shares \$15.00 Par Value, including 940 shares held in Treasury for Retirement)	500,715.00
**\$5.00 Cumulative Junior Preferred Stock (5,000 shares \$15.00 Par Value, including 478 shares held in Treasury for Retirement)	75,000.00
Common Stock (240,000 shares \$5.00 Par Value)	1,200,000.00
Surplus	<u>7,016,816.27</u>
	<u>\$8,919,281.27</u>
	<u>\$19,048,774.18</u>

POLICYHOLDERS' SURPLUS \$8,919,281.27

* Bonds and Stocks are carried on the basis prescribed by the Insurance Department of the State of New York. If actual December 31, 1949 market quotations for all except insurance stocks had been used (such insurance stocks being taken at statutory values as at December 31, 1949, with portfolios adjusted to market) the Policyholders' Surplus would be \$9,105,306.27. There has been deducted an amount of \$144,670.15 representing interest in our own stock through ownership of stocks of other insurance companies. Securities carried herein at \$210,572.84 are deposited with State Departments as required by law.

** Entitled on voluntary or involuntary liquidation to \$100.00 per share and accrued dividends.

HOME OFFICE

111 WILLIAM STREET, NEW YORK

Fire Company 1949 Statement Figures in Tabloid

	Assets	Inc. in Assets	Reins. Res.	Inc. in Reins. Res.	Capital or Stat. Dep.	Surplus	Inc. in Surplus	Net Prems.	Losses Paid	Loss Ratio
Alliance Assur.	7,139,047	223,952	941,045	21,907	300,000	3,561,674	340,869	2,707,452	1,176,387	43.4
Birmingham Fire	3,998,340	825,261	1,182,382	414,528	1,000,000	2,503,941	226,666	1,496,064	321,380	21.5
Canadian Fire	2,757,796	487,875	235,078	127,383	300,000	1,021,268	110,486	698,236	199,428	28.0
Cathay	2,436,597	136,465	117,689	14,699	1,000,000	2,057,274	54,242	343,616	126,016	37.7
Central Trust, China	2,884,533	158,454	49,376	35,638	500,000	2,574,715	98,747	293,250	127,589	00.0
Federal	46,985,245	5,092,603	9,877,803	1,070,717	.....	21,576,735	3,178,053	14,889,621	5,590,033	41.4
Fireman's Fund	161,279,548	14,587,036	51,349,396	6,182,764	7,500,000	70,163,929	10,291,115	64,017,395	24,973,981	39.0
Home F. & M.	35,015,243	13,868,791	12,837,349	4,368,605	2,000,000	12,993,175	6,635,629	12,003,261	4,682,621	39.0
Interstate	4,501,102	1,648,035	2,682,140	1,102,876	400,000	1,252,179	247,718	3,324,354	964,796	28.9
Iowa Fire	466,302	22,589	345,491	35,838	100,000	437,367	19,542	291,801	82,491	28.2
Manufacturers Fire	1,659,844	144,676	629,505	37,745	250,000	697,547	163,196	1,325,405	482,020	36.4
National Union Fire	10,231,181	292,746	1,266,676	47,284	300,000	5,237,503	490,370	3,837,673	1,594,137	41.6
Patriotic	45,299,256	3,540,989	22,465,261	1,501,321	2,000,000	13,798,287	2,178,985	22,050,513	9,102,985	41.3
San Jacinto, Tex.	4,661,216	453,068	1,689,883	88,866	1,000,000	2,443,465	332,321	1,925,942	748,999	38.8
Sea	220,201	17,129	29,779	23,720	100,000	189,469	-7,299	39,786	1,717	4.3
Southern, Tex.	11,175,494	447,875	2,108,602	42,837	500,000	4,625,920	42,837	4,090,211	1,767,599	43.2
Sun	429,913	120,002	168,853	38,309	100,000	217,377	50,178	228,553	74,368	32.5
Sun Underwriters	13,685,021	804,412	5,528,287	74,858	500,000	4,898,631	918,735	6,677,573	2,854,178	42.7
Vigilant	2,631,779	183,666	1,039,025	34,247	600,000	1,266,193	181,716	1,140,528	469,864	41.1
Western National Indem.	7,802,173	511,117	1,254,892	102,983	1,000,000	4,457,416	390,823	2,414,620	953,272	39.5
Lloyds of New Mexico	10,551,615	2,025,429	5,395,272	1,180,702	1,000,000	3,359,736	114,026	5,907,187	1,797,407	30.4
Lloyds of New Mexico	96,342	30,477	.....	.....	59,500	63,346	6,869	47,909	4,579	9.5
General Lloyds Fire & Cas.*	908,259	.....	8,299	.....	125,000	281,681	.....	1,070,651	146,899	13.7

Fire Company Experience in 1949 by Lines

	Fire	Extended	Tornado-Windstorm	Sprinkler-Leakage	Riot & Explosion	Motor Vehicle
	Prems.	Paid Losses	Prems.	Paid Losses	Prems.	Paid Losses
Alliance Assur.	7,139,047	2,616,544	1,459,464	363,453	83,163	62,872
Amer. Eagle Fire	7,479,797	2,616,544	1,459,464	363,453	83,163	62,872
Amer. Motorists	.....	.....	.....	.....	.....	.....
Assur. of America	647,192	130,221	246,246	41,749	15,849	6,241
Birmingham Fire	740,368	204,519	209,072	38,351	13,133	4,165
Canadian Fire	407,751	82,011	.....	.....	.....	.....
Cathay	40,814	9,740	9,621	1,121	-86	265
Cent. Trust China	6,292	30,621	183	1,280	157	406
Columbia, N. Y.	1,008,709	452,417	230,102	66,402	4,478	4,424
Commonwealth	2,529,031	1,062,392	523,455	156,334	37,332	11,290
Continental	33,535,747	13,261,222	6,323,191	2,228,670	921,323	646,826
Employers Fire	3,127,649	1,100,700	663,781	175,442	14,514	16,164
Federal	2,922,649	1,096,669	661,448	123,532	-4,793	26,955
Fidelity-Phoenix	24,770,667	11,076,972	4,822,198	1,821,553	808,966	786,295
Fire Assn. Phila.	11,383,087	4,642,210	1,960,822	519,197	8,018	49,845
Fireman's Fund	304,496	112,079	40,429	5,208	.....	.....
French Un.&Univ.	1,049,691	381,762	178,614	41,970	7,310	5,120
Home, Hawaii	1,264,515	533,110	261,727	78,590	18,966	5,734
Home F. & M.	4,850,733	1,718,455	857,572	209,719	25,670	24,575
Imperial	1,255,037	466,354	279,409	80,194	5,438	5,373
Interstate	2,554,978	750,825	344,537	195,898	23,447	14,834
Kansas City F.&M.	2,554,978	750,825	344,537	195,898	23,447	14,834
La Paternelle	2,554,978	750,825	344,537	195,898	23,447	14,834
Law Un. & Rock.	739,928	265,589	184,202	58,672	.....	6,088
London & Lanc.	3,334,481	1,249,606	874,893	278,694	11	28,290
Lumbermen's	1,744,954	710,157	313,731	83,071	1,282	7,975
Manufact. Fire	.....	4,503	.....	405	.....	441
Marine	.....	.....	.....	.....	.....	.....
Mercantile, N. Y.	2,529,031	1,071,488	523,455	157,584	37,392	11,452
Mercury	5,075,984	1,934,520	1,078,655	295,216	126,247	93,040
Mt. Beacon, N. Y.	.....	.....	.....	.....	.....	.....
Natl. Un. Fire	5,422,915	2,683,557	760,541	97,856	111,920	73,618
No. British & Mer.	5,058,062	2,218,072	1,046,911	321,157	75,864	22,825
Northeastern	3,419,045	1,210,924	676,936	180,674	29,554	26,250
Northern, N. Y.	7,143,500	1,948,443	1,964,605	371,572	47,124	-11,436
North Star Re.	8,354,826	2,901,289	1,681,323	378,910	117,438	113,754
Ohio Farmers	3,638,893	1,193,366	1,217,064	227,006	96,889	23,550
Orient	2,107,471	789,224	552,584	176,017	781	18,265
Pacific National	5,815,941	2,349,056	1,964,735	388,489	105,873	40,186
Patriotic	958,574	396,948	165,285	29,897	3,511	-31,126
Pennsylvania Fire	5,479,567	2,331,333	1,134,154	341,541	82,186	24,581
Philadelphia F.&M.	7,532,336	3,091,393	1,487,715	398,383	12,067	37,744
Phila. National	727,064	294,680	130,721	34,613	5,323	2,401
Phoenix Assur.	3,041,534	1,200,724	624,662	179,257	12,156	12,001
Preferred Fire	.....	.....	.....	.....	.....	.....
Quaker City F.&M.	460,253	182,017	69,785	22,913	1,949	2,746
Reliance	1,163,302	474,112	209,154	55,381	855	5,316
Safeguard, N. Y.	938,496	328,838	230,250	73,340	3	7,610
St. Paul F. & M.	16,007,225	6,039,001	3,207,565	1,094,276	425,165	363,572
San Jacinto, Tex.	23,628	1,296	12,029	225	.....	.....
Sea	635,237	245,511	164,503	34,098	-1,109	7,338
Seaboard F. & M.	1,075,116	462,073	189,519	52,246	9,941	4,471
Southern, Tex.	.....	.....	.....	.....	.....	.....
Standard Fire, N.J.	1,342,891	588,867	354,425	110,343	.....	.....
Sun	3,064,241	1,347,721	542,271	145,041	10,057	-5,579
Sun Und., N. Y.	515,951	221,972	114,512	27,502	3,082	801
Un.&Phen. Espanol	1,954,834	739,695	297,426	81,347	12,944	12,767
Unity Fire, N. Y.	1,423,031	566,332	173,694	37,163	8,562	7,424
Urbaine Fire	2,005,547	704,596	343,210	76,883	16,204	8,491
Vigilant	296,893	104,746	70,869	13,235	-513	2,888
West. Natl. Indem.	3,803,577	1,275,263	593,359	134,160	31,748	25,125
Gen. Lloyds F.&C.*	42,828	963	20,182	81	.....	.....
Lloyds of N. Mex.	.....	.....	.....	.....	.....	.....
Yorkshire	1,588,370	886,935	279,454	59,723	17,872	10,295

*Began business in 1949.

I. C. Faber, Chicago manager of National Union Fire, was stricken with pneumonia after arriving in Florida by motor on a vacation trip and was confined to St. Anthony hospital at St. Petersburg for some time.



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Service Office at Birmingham

Jerome, Cowan & Mahone, managing general agency of Atlanta, has opened a service office at Birmingham, Ala., with Joe B. Chapman in charge.

Mr. Chapman has been state agent in Alabama and northwest Florida for St. Paul F. & M. and before that was with America Fore in Texas and Mississippi and American in Texas. He is past most loyal gander of Mississippi Blue Goose and past president of Alabama Field Men's Assn.

Jerome, Cowan & Mahone have extended their facilities to include casualty and surety business to be handled through the casualty and surety division of Boston and Old Colony.

MARINE

FTC Inquiries
Swamp Ocean Men

The ocean marine people are being deluged these days with questionnaires from federal trade commission. A vast amount of material is wanted in the way of records, rate data, agreements of various kinds, etc. Just what FTC is driving at, marine men profess not to know. One company estimates it would cost \$700 just to photostat what FTC is asking for. The questions are mainly of an elementary nature. There are inquiries, for instance, as to why a lower rate should be charged on a ship like the Queen Mary than on another ship, why different rates should be charged for different tankers, etc. The questions apparently do not take account of the fact that ocean marine insurance is a world-wide competitive market and there is nothing to require shippers to get their insurance in this country.

Truck Cargo Line Still
Shows Improvement

The experience on the truck cargo line which apparently took a turn for the better last year, is continuing to give satisfactory results, most marine men agree. It is still a class of business that is treated gingerly, however, and some companies are still engaged in trying to reduce their volume in that field. Some observers attribute the improvement partially to the effect that truckers have gained tariff increases to the extent that they now have margins to devote to safety programs and the larger lines particularly, are exercising very effective controls. Also, it is theorized that the drivers are more mature and responsible than they were during the war and immediate post-war period.

Reports on Harbor Inspection

Marine Underwriters of Southern California, through its Gabor safety committee, has made a report on its inspection of Los Angeles harbor. The findings of the committee, which were presented to Mayor Bowron, pointed out a lack of police protection, insufficient alarm boxes and inadequate driftwood control. Many commendable features also were noted.

Senate Put on Notice

WASHINGTON—National Assn. of Insurance Agents has filed with the Senate finance committee a statement supporting the proposition that property agents would not be employees under the House social security bill and should not be so included by the Senate. The statement points to the ways and means committee report and statements on the House floor during debate on the bill indicative of property agents being classed as self-employed under interpretation of the House and its committee.

Judge Secretary of Atlas

Edward V. Judge, special agent of Atlas in western New York, has been promoted to secretary. Mr. Judge has been with Atlas throughout his business career.

Joseph F. Bechtel, senior examiner in the underwriting department, has been named to succeed Mr. Judge. His headquarters will be in the University building, Syracuse.

Hearing on Depreciation Cover

Commissioner Sullivan of Washington has called a meeting of the companies to discuss depreciation and replacement insurance in that state. Coverages, rules and regulations will be given a complete going over.

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Dineen Finds Installment Plan Free of Fetters

NEW YORK—A ruling by Superintendent Dineen of New York that the law does not give the department authority to regulate the terms and conditions of plans for extending credit has indicated a method by which companies can arrange for the installment payment of premiums. Mr. Dineen's opinion was contained in a letter to Liberty Mutual approving a memo filed by that company. The department had inquired into its use of an installment payment plan which had not been filed with it. The department considers the plan valid because it does not affect any conditions of the policy other than the method of payment. The department ruling differentiates between plans calling only for the extension of credit and those which modify the insurance contract.

The department said that neither the rating provisions nor the section on admitted assets, which contains a reference to installment premiums, nor the section on the filing of endorsements are applicable to the problem. If the legislature intended to extend to the department authority to regulate installment credit it would have included that authority in the law, the letter says.

Home Soon to Move

Home is preparing to move in the near future in Los Angeles to the ground floor and part of the mezzanine floor of the Van Nuys building. This is being extensively remodeled and will be one of the finest insurance offices in the city. Home is now located in the building that is owned by National Automobile & Casualty.

Four C.P.C.U.s on Panel

King County Insurance Assn. has designated four C.P.C.U.s to give a panel discussion on insurance coverages at the Northwest Conference of Credit Men's Assns. March 24 at Seattle.

The panel will include H. P. Sargent, C. P. Sargent & Co.; Thomas A. Harman, P. J. Perry & Co.; R. C. Jenner, Robinson Jenner, Inc. and Kenneth G. Myers, Alexander Myers & Co.

It is expected that approximately 350 credit men from Portland, Vancouver, Bellingham, Spokane, Tacoma and Lewiston, Ida., will attend the conference.

Employers Fire Change

Richard E. Fleischer has been appointed special agent at Los Angeles by Employers Fire.

Wolverine Parley

About 40 attended the semi-annual claim meeting of Wolverine at the head office of Lansing, Mich. In charge was Robert D. Denton, vice-president-claims and he was assisted by Norman Harris, Laurence Reynolds and Mrs. Mildred Snyder.

President John Carton reviewed the past year and disclosed plans for this year. Further expansion, personnel and new territories are planned for this year.

L. A. Branch Moves

The Los Angeles branch of National Automobile & Casualty has moved into new quarters on the ground floor of the company's home office building. This is the old Stock Exchange building. The new quarters have been modernized.

Missouri 1752 Club has concluded a series of three clinics at Springfield, Sedalia and Columbia. President H. M. Anderson presided at all the meetings.

American Auto Plan OK'd

ST. LOUIS—The green light has been given for construction of Ameri-

can Automobile's new \$2,500,000 office building at the Lindell boulevard and Spring avenue. The city counselor's office has been directed by Mayor Darst to drop the suit filed to require the building to have a 38-foot setback from Lindell boulevard rather than the 30 feet proposed in the company's building plans.

\$89,000 Is Limit

An underwriting limitation of \$89,000 has been established by the Treasury Department for Tri-State of Tulsa in connection with the approval by the Treasury Department of this company as an acceptable surety on federal bonds.

PERSONALS

Harry M. Mountain, western manager of Aetna Fire, is vacationing, with emphasis on golf, at Winter Park, Fla. He is keeping well indoctrinated the Aetna way because his golfing companions are W. G. Bayliss, retired assistant western manager of Aetna, and Herbert W. Lindquist, veteran Nebraska state agent for the Aetna group.

Arthur L. Rodd, a Michigan department examiner, is reported as recover-

ing at Columbus, O., from the effects of a beating administered by a thug who broke into his apartment and looted it and assaulted his wife. Rodd has been representing zone 4 states in a convention examination at Columbus. Commissioner Forbes said Rodd, an examiner since 1942, has run into rather consistent bad luck while away from Lansing on examination duties. While at Montreal a few years ago his car was destroyed in a fire and he was a robbery victim on another occasion at Chicago.

C. J. Froebel, associate manager of Hartford Live Stock, Chicago, has entered the grandfather class, a boy, who has been named Robert James Thurlow, having arrived at the home of his daughter and son-in-law, Mr. and Mrs. James Thurlow of Chicago. Mr. Froebel has also decided to act like a grandfather. He is just now completing recovery from a broken arm that he suffered while doing some hi-jinks on ice skates on the Midway at Chicago. He has now retired from the ice.

Melvin Timmons, associate manager of Hartford Live Stock at Chicago, is heading off for a month's trip through Texas and the Pacific Coast. His father, Dr. W. H. Timmons, who for many years was head of Hartford Live Stock, and who now resides in Indiana, was

in the hospital at Chicago for a few days for a checkup.

Changes in Denver Office

O'Rourke, Beery & Daniels, Denver general agents, have engaged William B. Johnson, LaJunta, as fire underwriter. He is a recent graduate of Denver University and formerly worked with America Fore at Chicago for 18 months.

Recent personnel changes included promotion of E. W. Schafer, chief casualty superintendent and office manager, to assistant secretary. Vernon L. Frame, LaJunta, fills the position left by Mr. Schafer. William J. McIlvaine will assist Mr. Frame.

Claude R. Foster, LaJunta, is now superintendent of the fire department. John Buxmann, Jr., Fort Morgan, bond department supervisor, is now in charge of the bond, burglary and plate glass division.

Harry Barsantee, assistant manager of Travelers' publicity department, has been named chairman of the 1950 Greater Hartford United Negro College Fund Drive. Last year Jesse W. Randall, president of Travelers, was chairman.

AMERICAN HOME FIRE ASSURANCE COMPANY

FINANCIAL STATEMENT AS AT DECEMBER 31, 1949

ADMITTED ASSETS

*Bonds—United States Government.....	\$1,030,959.06
*Bonds—All Other	980,172.44
*Stocks	1,907,495.30
Cash on Hand and in Banks.....	595,191.12
Premium Balances (Less Ceded Reinsurance Balances)	311,739.88
Interest Due and Accrued.....	16,171.08
Other Admitted Assets	13,773.44
	<u>\$4,855,502.32</u>

LIABILITIES

Reserve for Losses and Loss Expenses.....	\$ 156,463.78
Reserve for Unearned Premiums	1,385,887.52
Reserve for Expenses, Taxes (Including \$52,596.65 Federal Income Taxes) and Contingent Commissions Due or Accrued	159,622.07
Funds held under Reinsurance Treaties.....	29,166.52
Reserve for all other Liabilities and Items.....	20,933.16
	<u>\$1,752,073.05</u>
Capital Stock (100,000 shares \$10.00 Par Value)	\$1,000,000.00
Surplus	2,103,429.27
	<u>\$4,855,502.32</u>

POLICYHOLDERS' SURPLUS \$3,103,429.27

*Bonds and Stocks are carried on the basis prescribed by the Insurance Department of the State of New York. If actual December 31, 1949 market quotations for all except insurance stocks had been used (such insurance stocks being taken at statutory values) the Policyholders' Surplus would be \$3,130,695.26. There has been deducted an amount of \$30,634.70 representing interest in our own stock through ownership of Second Preferred Stock of the Globe and Rutgers Fire Insurance Company. Securities carried herein at \$303,999.80 are deposited with Governments and State Departments as required by law.

HOME OFFICE

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NEWS OF FIELD MEN

Great American Makes Kan. Change

James E. Mott is retiring May 1 as Kansas special agent for Great American. He has been in the insurance business since 1918 and has been in the Kansas field for Great American since 1926.

His successor is Frank M. Whitford, who has been with Cravens, Dargau &

Co. for the past several years, most recently at Albuquerque. He started with American at Denver in 1936 and for a time was with Fire Association at San Francisco. He served during the war with both the army and navy. His late father, George S. Whitford, was a veteran with the Denver general agency of Standart, Main & Brewster. His brother George V. Whitford is assistant western manager of Fire Association.

Mr. Mott was born at Independence,

Mo., in 1885 and, after being engaged in other activities from 1899 to 1918 he went with Western Reciprocal Underwriters of Kansas City. He went with Great American in 1926 in Kansas. He was a member for several years of the executive committee of Kansas Field Club.

Speech Class in Kansas

Twenty-five field men, adjusters and inspectors have enrolled in a speech training class at Topeka with Frank Regier, Corroon & Reynolds, as chairman, assisted by Paul Foster, Western Adjustment, and Kenneth Stoikey, National Fire. Weekly meetings are being held for nine weeks. Prof. E. C. Buhler of University of Kansas is the instructor.

Plumbe to N. M. Field

Robert F. Plumbe has been named state agent for Fireman's Fund in New Mexico succeeding George Simonton, resigned. Mr. Plumbe has been with Fireman's Fund since 1947, most recently in the San Joaquin Valley territory as special agent.

Menzel to P.W. at L. A.

Providence Washington has named Gleyer N. Menzel special agent in Los Angeles area.

He began his insurance career with Mortgage Guarantee Co. in 1934, later joining Bond Investment Co. After army service he joined the Bond agency as vice-president.

Simonton to General Agency

George E. Simonton has joined the Interstate managing general agency of Denver.

Before the war, Mr. Simonton was state agent for Fireman's Fund in New Mexico and after three years in the air force returned as special agent in southern California.

Hyfield to Pacific Nat'l

Ivan A. Hyfield has joined Pacific National Fire as Indiana and Kentucky special agent with headquarters at Indianapolis. He will also represent Paramount Fire. He has been in the business 25 years and for the past several years has been a state agent in Indiana for Firemen's.

N. J. Preventionists Elect

D. Donald Hall, state agent of Corroon & Reynolds, was elected president of Fire Prevention Assn. of New Jersey at the annual meeting at Trenton March 13.

Other officers were: vice-president, Fred L. Bross, Halifax; secretary, J. Alfred LeConey, America Fore, and treasurer, W. J. Winkler, Glens Falls.

C. & R. Names Mayer in Cal.

Corroon & Reynolds has appointed Fred H. Mayer as special agent in the southern California field, with headquarters at Los Angeles.

Mr. Mayer has had considerable experience in the field, most recently with Potomac.

Royal Changes on Coast

Allen C. Sears has been transferred to Oregon with headquarters at Portland for Royal-Liverpool. His successor in the counties of Ventura and Santa Barbara in California is C. J. Moureaux. Pat R. Stewart was named special agent at Long Beach, Cal.

O'Connor Ohio Speaker

James C. O'Connor, editor and manager of the Fire, Casualty & Surety Bulletins of THE NATIONAL UNDERWRITER, will speak at the meeting at Columbus April 4 of Ohio Fire Underwriters Assn.

The association has mailed to each of its members copies of a report pre-

pared by Harold D. Smith, Glens Falls, on forms and rulings. Other members of the committee are Frank J. Kuesel, St. Paul, and Fred M. Reiss, Fidelity-Phenix.

Arson Speaker in N. J.

New Jersey Insurance Fieldmen's Assn. will hold a luncheon meeting at Newark March 27. Prior to the luncheon, the executive committee will hold a brief meeting. A representative of the arson squad of the National Board will speak.

Buechner in Mountain Field

Springfield F. & M. has appointed Charles R. Buechner, Jr., as special agent in Colorado and Wyoming with headquarters at Denver.

Mr. Buechner attended University of Colorado and served in the army during the recent war. He was with a general agency and later had his own local agency at Ft. Collins, Colo. Prior to joining Springfield he was in the middle western field.

Harboway to National

Alexander Harboway has been appointed hail special agent in Oklahoma, Kansas, and Nebraska for the National Fire. He is a graduate of the University of Alberta, is well experienced in hail adjustment work, and before going with National had been employed by the Department of Agriculture of Alberta. His headquarters will be in the New England building, Topeka.

Gehrig to Spokane Post

American has appointed James T. Gehrig special agent in eastern Washington and northern Idaho, with headquarters at Spokane.

H. R. Breshears, special agent at Seattle, heretofore had supervision over the Inland Empire territory as well as western Washington.

Roggenkamp at Appleton

Carl H. Roggenkamp, Milwaukee, state agent of Ohio Farmers and secretary Wisconsin Fire Prevention Assn., addressed Appleton Optimists Club on "Fire Inspection in Business and Public Buildings," as a forerunner of an inspection there late in March.

Blackmarr Ky. Special Agent

Scottish Union & National has appointed John R. Blackmarr special agent in Kentucky succeeding John J. Byder, who has been transferred to Michigan as state agent. Mr. Blackmarr has completed an extensive training program at the home office.

Ky. Pond to Be Initiation Team

Kentucky Blue Goose, which conducted initiations at grand nest meetings at Cincinnati in 1939, and again at Asheville, N. C., in 1941, will conduct the initiations at the 1950 meeting at French Lick, Ind., Aug. 8-9.

The annual dinner-dance of Penn Blue Goose will be held May 13 at Glenside, Pa.

Robert G. Lynch has been named special agent at San Diego for Great American.

Missouri Fire Prevention Assn. will inspect Troy March 30.

Lee Ihle, Knoxville local agent, has been elected president of the Optimist Club there.

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NEW YORK

N.S.L.O. TO 55 JOHN STREET

Multiple Location Service Office moved this week from 85 John street, which is the National Board building, to 55 John. The space at 85 John was needed by the National Board.

N. Y. LOSSES UP

Losses in its territory according to the New York Board totalled 406 for \$1,565,275 in February, 1950, an increase of 41% in number and of 8.2% in amount over the same month a year ago. For the two months, losses are \$14 for \$2,981,363, up 25.2% in number and down 18.2% in amount.

CHICAGO

MUTUAL TRUST NAMES GWINN

Homer Gwinn & Co. has become the first general insurance agency in Chicago to be named general agent for Mutual Trust Life in that company's home city. The agency, which is observing its 16th anniversary this month, has been writing a substantial life volume.

C. H. SMITH CHAIRMAN

C. H. Smith of Hartford Fire has been selected as chairman of the committee on order of business of Western Underwriters Assn. for the meeting at White Sulphur Springs, W. Va., April 25-26.

WANT ADS

WANT AD INFORMATION

Rates—\$12 per inch per insertion—1 inch minimum. Limit—40 words per inch. Deadline Tuesday noon in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER

SPECIAL AGENT FOR SOUTHEASTERN TERRITORY

wanted by The Central Manufacturers' Mutual Insurance Company of Van Wert, Ohio. Young man not over 35 years old with a college education. Must be experienced in the Fire Insurance business either as local agent or special agent. Application can be secured by writing to H. A. Kern, Vice-President, c/o The Central Manufacturers' Mutual Insurance Company.

MINNESOTA GENERAL AGENCY

with \$50,000.00 Preferred Fire Premiums desires representation of general writing Fire Company. Address Z-14, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

ADJUSTER AVAILABLE

Multiple Line Adjuster with five years experience seeks permanent position. Age 34. Best references. Two years college. Address Z-19, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

FIRE MANAGER WANTED

Excellent opportunity available in aggressive Class 1 agency for man with experience, knowledge, broker marks Cook County area. Salary commensurate ability. Prefer age 30-40. Our employees aware of this ad. Replies confidential. Address immediately Z-18, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

POSITION WANTED

Claim adjuster. Six years experience in Automobile, Casualty and Workmen's Compensation claims. Law degree. Illinois or Missouri. Preferably central Illinois. Available immediately. Address Z-22, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

The committee will hold a meeting in Chicago, April 4, to prepare the program. The other members of the committee are H. C. Bean, Travelers; C. E. Dox, London & Lancashire; W. E. Newcomb, Great American; W. L. Nolen, North British & Mercantile; H. A. Payne, Home; J. P. Young, Jr., American, and E. H. Forkel, National Fire, president, ex-officio.

H. J. MASON PROMOTED

H. J. Mason has been appointed assistant western manager of the Uniform Printing & Supply Division of Courier-Citizen Company at Chicago. He has been with Uniform in various capacities for 19 years, the last four of which he traveled throughout eight middle-western states in a sales capacity.

L. & L. VETERANS BAND

A 25-year club was set up in the western department of London & Lancashire at a banquet gathering at Chicago last week that was attended by the field men who were in the city for their annual round-up, and the 25-year qualifiers from headquarters. Number 1 qualifier is Carl Claussen, retired western manager, 54 years. There are 31 members at the outset.

Philip Metzger, assistant western manager, served as temporary chairman and W. J. Bozdech, city superintendent, took over upon his election as president. The other officers are Henry Bukowski, vice-president; Rose Bandorz, secretary; Margaret Hart, treasurer; Herman Meyer, historian.

EVEN U.S.A. PRESIDENT

John T. Even, Fireman's Fund, was reelected president of Underwriters Service Assn. of Chicago at the annual meeting. H. W. LaRue, America Fore, continues as vice-president and Emil J. Hepp, Springfield F. & M., becomes the new secretary succeeding E. G. Frazier of Springfield F. & M., who is retiring from business.

Newly elected to the executive committee is C. G. Thro of Crum & Forster. George V. Whitford of Fire Association was reelected. The other members are George Peterson, Royal-Liverpool and Earl R. Sanborn, Great American.

Corrections on Picture Captions

Captions beneath the pictures taken at the Boston territorial conference of National Assn. of Insurance Agents and

appearing in last week's issue were inadvertently mixed. The names appearing beneath the picture on page one were reversed. From left, the caption should have read H. A. Franz of Clifton, N. J.; F. A. Hoadley of Trenton, R. S. Preston of Providence, and W. S. Attridge of Boston.

The identification for the top picture on page 12 should have read, from left, L. F. Whelan of Greenwich, Conn.; Augustus C. Wallace of Goshen, N. Y.; John R. Hansen of Bridgeport, Conn., and W. W. Hatfield of Bridgeport, Conn. The identification for the lower picture on page 12 was correct.

DEPENDABLE... AS THE NORTH STAR



Polaris or the North Star is of great service to navigators. THE CAMDEN is in a similar situation which agents recognize. Built on a sound belief in the American Agency System, it pledges not to place obstacles in your path. What better evidence of good faith and dependability can be offered? Write us for an Agency.

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*Includes extras.

EDITORIAL COMMENT

What Is Free Enterprise, Etc.?

Currently leaders in the business seem disposed to define free enterprise, not just talk about it as though it were self explanatory. This is a happy development. Such terms as "the American system", "free enterprise" and "private enterprise" have been used and misused until they have lost positive value, if they ever possessed any. For many who hear them, ungarnished with illustration, they are in fact distasteful.

It is a lazy mental habit to use them as though they stand for the American flag, or home, or mother, with the implied expectation that all listeners will feel enlightened and enthusiastic.

Speakers do not know, they do not stop to think what the terms mean, to them or to other people. For the most part, used only as symbols and without specification, they mean, if anything, a preservation of the status quo. The speakers are saying, "We like what we have, let us not permit any changes to intrude."

Perhaps the main responsibility rests upon businessmen themselves. With minor exceptions they have not taken the time to think out the real meaning, yet they have been trying to recruit an army to wage an important, a critical battle. It is a piece of work that none has undertaken. Perhaps only those in practical, daily contact with the business or with those who conduct it can adequately delineate what the phrases mean. That they should mean something their frequent use by business men attests.

C. M. Shanks, president of Prudential, got down to cases in a talk not

long ago. He said what free enterprise is. More is needed of this kind. If leaders in insurance can't find the answers elsewhere, they can do what Mr. Shanks has done, sit down and think it out.

After all, the leader who is going to make a talk doesn't need a lot of high priced advice from anybody, he can search his own experience and soul and come up with a lot of examples of what the American way is and does. They would be very effective.

There may be a slight sense of guilt that the phrases mean opposition to change because those in the top positions like what they now have. But we think they are mature enough to recognize that younger generations are moving up in the economy and feel just as proprietary about the United States as do the older men. They cannot be ignored. They are producing change and that has to be understood.

There is something about the American economy that differs from any other. Probably it has not altered as much as we think from pioneer days when, it seems now, it was more obvious. The American economy is unique. Business, which manages it, and which has to a certain extent created it, has not taken the trouble to articulate it or explain it. The politicians say what they think it is. The professors write what they think it is. Those who are dissatisfied are eager to tell what they think about it. But those who are in a position to know most about it and its fruits have tended to keep quiet on the subject, if not actually to conceal what they know about it.

Competition in the New Era

Now that there is a leveling off of premium income and companies are anxious to get more of their surplus committed to the insurance risk, signs are beginning to appear of the old time competition. Perhaps the most important manifestation of this is in the bidding for agency business through the commission route.

In the old days what has happened in this direction would be producing some mighty battles in the insurance governing organizations. Now those organizations feel obliged to keep hands off and there are insurance executives who apparently fear even to discuss the matter of commissions with a competitor. That is not universally true, however, since there are some leaders who believe that this is a free country to the

extent that these matters can be discussed man to man just so long as discussions do not eventuate in any kind of a compact.

The sun set on the policing powers of the governing organizations at a time when business was going begging, hence we are now in the period of the first real test of the absence of self-regulation. The big question is whether enlightened leadership is sufficient to keep commission competition within bounds. We had hoped that it would be and we still have a good measure of faith. There are but few who do not realize the implications of the problem and who do not dread whatever would emerge in the way of a substitute for self-regulation if the situation should get out of hand. The most likely substitutes are

something akin to a rate war or specific state regulation of commissions or perhaps first the former and then the latter.

Perhaps it is just as well that this commission situation has erupted in various places just as it has and that it has been publicized and is regarded by companies and a great many of the agents themselves as a sore spot. That serves to dramatize the perils of an unrestrained course of action. It may shock individual management into a realization that some action on its part that might otherwise seem to it to be isolated is after all adding fuel to a flame that is assuming crackling proportions. The very fact that the situation has become explosive may prove to be inhibitive.

However, it requires almost superhuman powers for the individual executive and individual company to act at all times in the interest of the collective long range good of the business and to forego the opportunity to make some isolated gain or to take defensive action to prevent a loss of good business.

The companies and agents in bidding up commissions are playing with dynamite. There will be companies that will become restive and smart under the competition and they will decide to play the game under rules other than those that prevailed prior to the S.E.U.A. decision. In the old days, in fire in-

surance at least, the companies stood hitched on rates. Commission battles could be fought out in governing organizations without fear that anybody would rock the boat in the rate department. Now there is no such assurance. As a matter of fact, there is very good reason to believe that if commission competition gets to a rampant stage, there will be important elements of the market that will break loose and provide rate deviations in those classifications where the rates are such as to breed unrestrained commission competition. That would take us back to the jungle days of the rate wars which were what necessitated the setting up of self-government apparatus in the long ago.

The emergence of such rate competition would undoubtedly necessitate the setting up of a new system of controls and that could hardly be anything else but state regulation. There are some defeatists who feel that, left alone, such a series of events is inevitable and hence the intermediate step might just as well be jumped and state regulation invited immediately. We are not prepared to surrender, however. We are still willing to lay a bet on the sense of responsibility, the good judgment and the social consciousness of insurance company management to subdue the prairie fire before it reaches the forest. Self interest and the common good correspond.

PERSONAL SIDE OF THE BUSINESS

Halsey B. Leavitt, local agent of Asheville, N. C., has been nominated by the Republican party as a candidate for the U. S. Senate. He will be unopposed in the primary May 27 and will go into the general election in November as the GOP opponent for Senator Hoey, Democrat, who is seeking his second term.

C. W. Ohlsen, western manager of Sun, has been vacationing in Florida.

W. S. Frary, local agent of Great Falls, Mont., was presented with a 50-year gold emblem on the occasion of his 50th anniversary of representation of Home. This took place at ceremonies at Meadowlark Country Club and was attended by Vice-president George E. Stroub from the head office. There was unusual sentiment in Mr. Stroub's presence because it was he that pinned a 25-year medal on Mr. Frary. About 30 attended the dinner, the arrangements being in charge of Robert Aitken, state agent.

T. A. Demarest, statistical superintendent of Scottish Union & National, has just observed his 30th anniversary with the company. He joined it is supervisor of the reinsurance section, and is now in charge of the reinsurance and statistical departments.

Alberto Reyna, agent of Hartford Fire at Caracas, spoke at a luncheon given by D. R. Ackerman, Great American and vice-president of American Foreign Insurance Assn., and General

Manager L. C. Irvine of the association, at New York in honor of the Venezuelan trade commission of 12.

Mr. Ackerman and Mr. Irvine assured the delegation that the insurance fraternity is interested in the maintenance of freedom of trade, which has always been of primary importance to the American insurance market. Also attending the luncheon was a group of officials from several insurance companies.

Friends of **Herman A. Pfister**, Indiana state agent of Providence Washington, who has been in a cast for the past year as result of a back injury, are happy to learn that under the physician's orders the cast has been removed. While Mr. Pfister will be required to wear a brace for a while, it is predicted that within a few months he will be able to resume his field work.

John D. Cramer, for many years deputy insurance commissioner of Indiana, who has been confined to his home by a heart ailment, has been presented a television set by his many friends in the insurance business in appreciation of the many courtesies he had extended to them.

In the course of dedicatory exercises for the new E. T. Woolfolk State Office building at Jackson, Miss., **Roy L. Davis**, western manager of Assn. of Casualty & Surety Companies, presented a scroll bearing a message from

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the stock casualty companies to Gov. Wright to be placed in the archives of the state. Similar scrolls were also presented by J. Raymond Berry, general counsel of National Board, and P. K. Lutken, president of Lamar Life, representing the life companies. Each representative of industry, commerce and profession that was present presented such a scroll. John H. Calkin of Vicksburg, who is chairman of the Mississippi senate insurance committee, was master of ceremonies. Commissioner Jesse L. White was present among the

DEATHS

H. R. HANAWALT, who retired Dec. 31, 1947, as associate western manager of National Fire, died at a hospital at Tucson, Ariz. He had undergone several operations and his condition had been precarious for some time.



H. R. Hanawalt

Mr. Hanawalt was 63 years of age. His span of service with National Fire was from 1903 to 1948. He served as president of the old Insurance Club of Chicago. He had been secretary for several years of Oil Association and a director of Western Adjustment, Underwriters Salvage Co. and Cook County Loss Adjustment Bureau. Funeral services will be at Wilmette Methodist Church, Wilmette, Ill., Saturday at 2 p. m.

Mr. Hanawalt was retired at his own request because he wanted to go to a more favorable climate on account of his health then. He started as an office boy for National Fire when Fred S. James was the general agent for that company. He progressed through the ranks and became agency superintendent in 1922, assistant manager the next year and associate manager in 1939. He was one of the founders and a president of the Chicago Examiners Assn.

ROBERT E. FOSTER, 42, Michigan state agent of Michigan Fire & Marine, died apparently from a heart attack after his car had been in an accident near Big Rapids. He was chairman of the executive committee of Michigan Fire Underwriters Assn. and past president of Michigan Fire Prevention Assn.

RICHARD WALDRON, 72, retired secretary of District C of the Pacific

elected officials.

Winner of the contest conducted by National Assn. of Insurance Women to bring forth an appropriate name for the association's magazine is Mrs. Joy Desforges of the Schwartz & Nelson agency of New Orleans.

Mrs. Desforges' winning name is "Today's Insurance Woman." She was the only member of the New Orleans Assn. of Insurance Women to enter the contest. Her name was first used on the February issue of the now "Today's Insurance Woman."

Board, died at Los Angeles. He entered the service of the board there in 1904 as an electrical engineer, was promoted to surveyor in 1911, and in 1921 was made secretary, which position he held until his retirement in 1945.

CLARENCE A. DAFOE, 64, veteran Michigan state agent for North British, died at his home at East Lansing after a brief illness. Mr. Dafoe had been with the group as field man in Michigan since 1923.

HARRY HUDSON KENDALL, assistant secretary of Phoenix-Connecticut until his retirement in 1946, died at his West Hartford home after a short illness. He joined the company in 1891, becoming superintendent of agencies in 1921 and assistant secretary in 1939. His age was 78.

GEORGE S. VALENTINE, 77, who retired six years ago as assistant secretary of Ohio Farmers, died March 16 at LeRoy, O.

Mr. Valentine started in 1888 in the Iowa Compact Office at Davenport, Ia., that was operated under so-called Commission No. 3. Later he took a position with the compact office at Minneapolis. His next step was to the Hedwall local agency at Minneapolis, and later he traveled in the field for Sun and State of Pa. In 1903 he went to Des Moines for Prussian National and Netherlands, operating in the Ohio field and in 1913 was called to the U. S. head office at Chicago as assistant manager. After Prussian National was taken over by the alien property custodian in 1918, Mr. Valentine went to Ohio Farmers and became assistant secretary in charge of the loss department. There he remained until the time of his retirement. He continued to live at LeRoy and since the death of Mrs. Valentine in 1947, his daughter and son-in-law, Mr. & Mrs. Wade Belden, have been keeping house for him there. Mr. Belden is claims man at Akron for Ohio Farmers. George Valentine, Jr., is vice-president of Ohio Farmers in charge of the eastern department at Philadelphia and

another son, Wells Valentine, is with Zurich at Chicago.

AUGUSTUS R. THOMAS, 85, for 30 years with the insurance department of Citizens Fidelity Bank & Trust Co., died at Louisville. He had been retired for three years.

E. G. GREEN, who retired last July as farm and hall special agent for Hartford Fire in Nebraska, died at Lincoln at the age of 69. He was born at Butler, Mo., and was in the local agency business at Iola, Kan., until he went with Hartford in the Nebraska field in 1922.

CAPT. GEORGE McDONALD, 87, retired marine surveyor of Appleton & Cox, died at his home at New York. Captain McDonald had an eventful career as a sea captain before joining Appleton & Cox as marine surveyor in 1915. In 1946 he retired from that position under the company's pension plan. Captain McDonald was a past president and the oldest member of the Marine Society of the City of New York.

FRED D. WATKINS, SR., 74, member of L. B. Leigh & Co. general agency at Little Rock, and prominent in Arkansas fire insurance circles for nearly 50 years, died following a heart attack. His son, Fred D. Watkins, Jr., is assistant secretary of Aetna Fire.

JOHN T. KERN, 55, of the Portland, Ore., general agency of Jewett, Barton, Leavy & Kern since 1930, died of a heart attack. He was a native of Menominee, Mich.

CHARLES H. RITSCHER, who retired four years ago as assistant manager of Travelers in New York City, died at Madison, N. J., after a long illness. He had spent 30 years with Travelers.

EDWARD W. WADE, 69, president of Hamilton & Wade, New York insurance brokerage firm, died in Jamaica, L. I., where he lived.

ROBERT A. KELLEY, 48, examiner in the western division of Home at the head office, New York, and with the company for nearly 35 years, died at his home in the Bronx.

GARNER VAN VALKENBURGH, 77, Blue Rapids, Kan., local agent died of a heart attack.

WILLIAM CARDEN, 84, local agent at Winfield, Ia., died there. He was a member of the Iowa legislature for 14 years.

FRANK J. LYONS, 57, attorney in the claim department of Aetna Casualty at Chicago, died at his home of a heart attack. He had been with Aetna since 1929 and before that with U. S. F. & G. With Aetna Mr. Lyons served as contact man between the claim department and trial lawyers.

CHARLES W. MILLIKEN, 85, one of the founders and a former partner in the Milliken & Plamp agency at Louisville, died at his home at Franklin, Ky. He retired seven years ago.

Inland Marine Conference

The annual inland marine conference of Hartford Fire will take place at the Edgewater Beach hotel, Chicago, the week of March 26. This brings together the chief executives in the inland marine line and their principal assistants from Hartford, New York, Atlanta, San Francisco and Chicago.

The western field men of Hartford Fire have been going to Chicago in groups of 10 or 15 for a week at a time since the middle of January and these conferences will continue until the end of April.

Crum & Forster Conferences

Harold Junker, executive vice-president, and A. L. Ross, vice-president, Crum & Forster, will confer with field men in the southeast at Atlanta beginning March 28 and are scheduled to go to Durham, N. C., for a conference with field men in that area three days beginning April 10.

N.A.I.C. Appointee

Hugh L. Tollack, the newly appointed assistant secretary of National Assn. of Insurance Commissioners, is planning to get installed in the headquarters office at Chicago shortly after April 1. He will leave the Minnesota department where he has been chief of the rating division.



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Discard Mileage Factor; Young Driver Rate Upped 20%

Classification System Simplified—12½% Cut for Present Class A-2

National Bureau of Casualty Underwriters announces a new private passenger classification rating plan with revised auto B.I. and P.D. rates effective March 20 in 33 states, District of Columbia and Alaska. The new classes for private passenger automobiles are as follows:

- Class 1—Non-business use individually owned automobiles with no operator under age 25.
- Class 2—Business and non-business use individually owned automobiles with operators under age 25.
- Class 3—Business and non-business use—individually owned automobiles with no operator under age 25, and also all private passenger automobiles owned by corporations, co-partnerships or by unincorporated associations.

The new classifications are designed to recognize variations in hazard among private passenger car risks on the basis of the use of the automobile and the age of operator. The mileage requirement previously included has been discontinued, thereby granting a reduction of 12½% to risks presently classified as A-2.

Young Driver Up 20%

For risks with operators under 25 the rates contained in the new class 2 bring about reasonable increases, amounting to about 20%, for such risks in recognition of the difficulty which youthful operators have encountered in obtaining automobile liability insurance. Their experience record has been extremely adverse throughout the entire country and it is necessary that the rates for this class be placed on a self-sustaining basis in order to avoid unfair treatment of other classes.

Studies made in the various states show the same overall results. A detailed study made by the motor vehicle bureau of New York in 1947 reveals that 14.4% of all licensed operators in the state were under 25 and that these 14.4% of the operators had 28.5% of the fatal accidents and 23.8% of the non-fatal accidents.

Recent studies in Wisconsin and Massachusetts show the same results. Dr. Stack, director of Center for Safety Education at N. Y. U., shows the following age-accident-involvement index numbers. (The index is the ratio of percentage of accident involvement attributable to drivers of a given age to the percentage of licensed operators at that age.)

	Wis.	Mass.
Expected accident involvement rate	1.0	1.0
Index age group:		
Up to and including 24..	1.6	1.6
Age 25 and over.....	.9	.9

The figures for both states show that the drivers under 25 had 60% more accidents than the average driver.

Prewar studies in various states show the same picture. Typical is the study covering Connecticut for 1932-36. The actual number of all accidents for driv-

LOSS AT MOUNDS, ILL., \$105,000

Still Another Small Town Banker Goes Wrong

Still another small town bank embezzlement case captured the headlines the other day. Here it was First State Bank of Mounds, Ill., where H. H. Melton, former cashier was arrested for embezzlement. The shortage is said to be about \$105,000. The trouble has been known since last September, but Melton was permitted to go along without being prosecuted, apparently in the hope that he would make restitution.

Melton had been cashier of the bank 10 years and for most of that period was treasurer of township 16, which gave him custody of funds of all school districts in the township.

The bank bond is in Aetna Casualty in the amount of \$75,000 while Melton was bonded as treasurer of the school district by Maryland Casualty. Whether the latter bond will come into play remains to be seen. State's Attorney Wall said Melton had been siphoning school funds into a special account of his own. An audit disclosed Melton embezzled money on 70 occasions. He said Melton may have moved cash from one account to another by writing checks payable to himself or simply by writing debit slips in his capacity of paying teller.

Some observers believe that since the embezzlement occurred after the school funds had been deposited in the bank the loss would fall under the bank bond rather than the treasurer's bond.

ers under 25 was 32,917, while the expected number was 24,030, the ratio being 1.37. Of fatal accidents only the ratio of actual to expected was 1.62. The comparable figures for the 25 & over group for all accidents were 91,932 actual and 99,939 expected, with a ratio of .91. The ratio of fatal accidents only was .85.

The August, 1949, issue of "Safety Briefs," published by New Jersey S. S. Council, Inc., shows that under 20% of the operators in New Jersey were under 25 and that this group had 24.8% of the fatal accidents in 1946, 25.3% in 1947 and 26.9% in 1948.

National Safety Council states that in 1948 there were 37,400 drivers of all ages involved in fatal accidents, with 11,400 or 31% in the under 25 age group. This age group, however, contains less than 20% of all drivers.

National Bureau voices the hope that the record of youthful operators will improve so that the rates for this class may be later reduced.

This new rating system will simplify matters very greatly for the agents. The mileage factor is tossed out the window and there is no longer any class 1A. Some critics charge that the 1A class was sabotaged by those agents who closed their eyes and slid an unconscionable number of risks into 1A.

Apparently these classification systems that involve niceties are not practicable for those companies doing business through regular local agencies. That will have to be confined to companies with salaried solicitors or other special setups whereunder the underwriting department has the salesmen under its thumb.

TRY LOUISIANA AGAIN

The casualty and surety division of Louisiana insurance rating commission on Wednesday of this week, held an informal discussion of a possible private passenger rating plan revision in Louisiana, with representatives of National Bureau of Casualty Underwriters and of Mutual Casualty Insurance Rating Bureau. Local agents and company men attended and there was a free exchange of ideas. The companies have been strongly urging the Louisiana state authorities to adopt the classification system and now that the system has

The fidelity line is rapidly becoming sour. Some of the leading companies are no longer trying to develop fidelity but are putting all their emphasis on surety, which is still profitable. The small town bank scandals constitute a crime wave of major proportions and fidelity men look on the bank risk today with a jaundiced eye.

CHICAGO BANK LOSS

The bond on the Devon-North Town State Bank of Chicago, which reportedly was embezzled out of \$16,600 by a female teller, was written in London Lloyds through Joyce & Co. of Chicago.

Mrs. Eleanor Collins, 39, a divorcee, has been seized by the state's attorney's police for questioning and reportedly has admitted taking the money over a four-year period. According to the newspapers, Mrs. Collins says she took the money "because it was so easy."

U. S. F. & G. Has Va., Okla. Rallies

U. S. F. & G. was host at Roanoke to about 135 agents from Maryland, Virginia and West Virginia. Among the banquet guests were Commissioners Bowles of Virginia, Crichton of West Virginia and Hanley of Maryland. Toastmaster was Congressman J. Glenn Beall of Maryland.

Chairman R. Howard Bland gave an address on questions relating to public law 15. He was principal speaker at the banquet.

Speakers at the education conference included F. C. Ayers, G. A. Lee, and H. E. Foos.

Following the Roanoke meeting there was a two-day round-up at Oklahoma City, centering about the dedication of the new U. S. F. & G. building there. Cecil T. Loftin of Pauls Valley was toastmaster at the banquet. There were present about 160 company men and agents.

John A. Diemand Trophy Won by New York Office

The John A. Diemand trophy of Indemnity of North America has been awarded to the New York office for 1949. F. S. Vanderbilt and J. R. Rooney are managers.

This is the second time New York has won the award, having taken it previously in 1947.

Cleveland was runner-up last year with Newark in third place.

The trophy is a silver plaque awarded each year to the office showing the best record for excellence of operation, especially in service to agents.

been revised and simplified, the companies are renewing their efforts to get Louisiana into line. At present there is no difference between automobile rates in Louisiana based on use of the car or age of the driver. There are three territorial divisions in the state, but that is all.

It is understood that Louisiana and Texas are the only states left that have not been using the age and use factors.

C. W. Olson Is Reelected by Surety Bond Group

Big Attendance for Exceptional Program of Talks and Discussions

NEW YORK—C. W. Olson, Jr., of Chicago was reelected president and H. Phelps Smith, Nashville, secretary-treasurer of National Assn. of Surety Bond Producers at the annual meeting here. W. H. Kreidler, Cincinnati, and S. Hammond Story, Atlanta, continue as vice-presidents. James J. Lucy of New York was elected third vice-president, replacing Jack East of Little Rock, who is a new member of the executive committee, along with Wil-



C. W. Olson



Martin Lewis

liam Ames, Jr., San Francisco, and Ted C. Field III, of St. Paul.

The meeting was well attended and the program was one of the best the bond producers have put together. The talk by Guy Kiddoo, vice-president First National Bank of Chicago, was especially well liked. Company men were invited to the sessions Tuesday morning and ate with producers at the only group luncheon on that day.

In addition to a roster of able speakers, the group discussed production, surety phases of the Hoover report, commissions on blanket bonds, counter-signature, and the credit man in the surety picture.

U. S. construction is at its peak or slightly past it, Dr. Jules Backman, New York University school of commerce and author of the book on surety rate making said. Industrial plant construction was off slightly in 1949 and will be off further in 1950. According to estimates, public utility construction is at its peak or over, there are no increases ahead. Public building of all kinds including highways still is going up and can be expected to stay high.

Sees Upward Loss Curve

The contract bond loss ratio inevitably will go up, he added. In the war and after, gross losses were abnormally low so that salvage which held down losses in prior years will not be available to reduce them in the next year or two. Even if salvage continues at the 36.6% it was in 1931 to 1941, the amount of dollar losses on which it will operate is negligible.

Bond producers can't avoid losses, but, he suggested, they can be more careful in their selection of risks and now he thinks is the time to begin.

There is increasing price competition among contractors, a growing number of failures among unbonded contractors, and overextension of commit-

(CONTINUED ON PAGE 34)

BANKER ADDRESSES SURETY PRODUCERS

Gives Pointers on Analyzing Contractor's Chances of Success

Guy Kiddoo Lists Personal Ability as Most Potent Factor

Guy Kiddoo, vice-president of First National Bank of Chicago, addressing the annual meeting of National Surety Assn. of Surety Bond Producers at New York on "Profit or Loss in Construction," warned that there is no easy means for the banker or surety to determine whether a contractor will produce a profit from his work. It takes persistent digging to assemble and properly appraise and analyze a financial statement, to check the equipment and organization, and especially to evaluate the factor of personal ability which is the principal ingredient for success.

The contractor who puts all his cards on the table and invites the surety and banker to examine every aspect of his business and tells the bad news with the good, is usually deserving of confidence, he added.

The construction industry employs directly twice as many people as the automotive and steel industries combined. Mr. Kiddoo mentioned that with more than \$19 billion of new work completed in 1949 and the prospect for an even greater volume in 1950, the business outlook seems good. The construction industry is not dominated by a few great companies, rather the work is divided among a large number of individual operators and very few firms do as much as one-half of 1% of the total volume.

Offers Pointers

Mr. Kiddoo offered some pointers to the agents in analyzing the ability of individual contractors to take on a job.

In studying the financial statement, he said, it is necessary to know whether it was prepared by the contractor's own accountant, and if so, how conservative he is. A statement prepared by a C.P.A. is preferable, but not all C.P.A.'s understand construction accounting. The date on which the statement was prepared must be taken into account because it can make a difference if the figures are put together at the end of the operating season when, for instance, a road contractor may show a comfortable working capital which can be eaten up by overhead cost of rehabilitating equipment during the non-operating winter season. Usually it is necessary to get some supplemental and explanatory schedule to properly analyze the balance sheet items.

Mr. Kiddoo remarked that the first thing most people look at is the amount of working capital, and that is about as far as some bank loan officers and home office underwriters look. They are sometimes unduly influenced by the difference between current assets and current liabilities.

Current Assets Column

As to what should be included in current assets, Mr. Kiddoo said there is no question about cash, government or listed securities and current earned estimates, but beyond those items there comes the twilight zone of current and deferred assets.

It is important to know the amount of work in progress, and whether amounts shown as earned but unbilled are carried at cost or valued in some other way. Until work is actually billed, only the actual cost of it should be carried on the books.

An inventory of material on the site, or which will be incorporated into the work may properly be called a current asset, but form lumber or other materials and supplies piled up in the con-

tractor's yard in the hope that some day a use will be found for them should hardly be so considered.

As a matter of fact, there is no standard and easily applied rule for determining what a contractor's current assets are, he remarked. The items so classified should be clearly identified or explained to show whether they do represent assets which, in a reasonable time and in normal course, will be converted into cash available to pay operating expenses or indebtedness.

Liabilities Easier to Find

There is not quite the uncertainty about listing current liabilities, Mr. Kiddoo observed. In this regard it is important not only that accounts payable be fully listed, but that accrued liabilities be also shown, including especially income taxes. Sometimes contractors who take up income only on final completion, will show as a deferred liability the excess of amount earned above costs to date on work in progress. The cash from this source is reflected in working capital, but very frequently no provision is made for the accrued income tax liability that accompanies it and which will have to be paid when the job is finished and the deferred income taken up as profit.

Mr. Kiddoo mentioned that with the trend toward pensions, social security benefits, severance pay, etc., it will be of greater importance than in the past to make sure that accrued liabilities for such items are properly recorded.

Interim statements, those put together during the course of a fiscal year to meet qualifications for bidding on state or municipal work, sometimes, Mr. Kiddoo remarked, include generous estimates of accrued earnings on work in progress, and occasionally such earnings are even projected to the ultimate completion of a job which may be months off. Such padding should not be encouraged, he said. Any temporary addition to the cash reflected as an addition to surplus which is withdrawn when it has served its purpose should not be countenanced.

Some Window Dressing Justified

However, a limited amount of window-dressing may sometimes be justified. When public bodies set up unreasonable arbitrary standards to qualify for bidding and give an undue weight to cash, it may be justifiable for a banker to finance the individual who manages the business, or some affiliated borrower in buying the company's receivables or a portion of them for cash, but this should be done, he warned, only to the extent to which the receivables are good and currently collectible.

Sometimes where a contractor's cash has been depleted through purchase of sound equipment, it may be justifiable to make some debt mature beyond the year so that it will be shown as a deferred liability and working capital thus improved. The financial statement showing \$1 million of net working capital with little equipment would generally be considered a satisfactory basis for bonding a \$5 million contract, even though the job might require the entire \$1 million for plant and equipment. Yet, the contractor with three-fourths of the required equipment, but with only \$250,000 working capital might have trouble in getting the bond. Thus, the banker and surety should know not only what the contractor's working capital situation is, but also what equipment he has for a job.

The real test of success in the contracting business is making profits and Mr. Kiddoo said that profit and loss statements are the best index to the ability and efficiency of a contractor.

But again, he warned, it must be known how the figures were put together. Are the profits taken only on final completion or accrued as the work progresses? Was the bid unbalanced, with the early stages showing profits that won't be realized on final completion? Are costs which are shown as deferred, those which should be properly spread over the remaining work, or do they reflect some reluctance to admit that the job is turning sour? Is the job such that move-out and clean-up costs will be incurred for which reserves should be set up as the work progresses?

Mr. Kiddoo said that he is convinced that a high degree of personal ability or capacity in management is the prime requisite for success in the contracting business. He added that he knows of no way to measure capacity in the field except by performance. In considering whether a contractor's ability has been sufficiently proven, the banker and surety must know how extensive his experience has been and in what particular fields of construction. The steel erector, for example, is not a dirt mover.

Know Contractor's Specialty

The banker or bond man will do well to look over his contractor customer's field operations. Even without sufficient knowledge in technical construction procedure, the underwriter or banker can appreciate the fine points of an

(CONTINUED ON PAGE 32)

Stassen Proposes Federal Health Reinsurance Corp.

To enable Blue Cross and other voluntary plans to provide longer periods of hospitalization, a proposal for creation of a Federal Health Reinsurance Corp. along the lines of Federal Deposit Insurance Corp., is advanced by Harold E. Stassen, president of University of Pennsylvania, in an article in the March Reader's Digest, the fourth in a series telling of the shortcomings of British socialized medicine.

Mr. Stassen thinks that Blue Cross and similar plans should furnish the pattern for improving and extending hospitalization services in this country, but he thinks the limit of three weeks usually set is too short and suggests that it should extend up to six months when necessary. Cases where longer than three weeks is required are few, but he says they represent a serious problem, even a catastrophe where they occur.

Reinsurance Plan Proposed

He would have the reinsurance corporation start with an initial appropriation of \$50 million and thereafter match funds paid in by local plans, which would contribute 2% of annual premiums and receive back two-thirds of the excess over \$1,000 paid out on any one case, with a stipulation that hospitalization up to six months be provided. The patient would be required to pay possibly \$1 per day or 5% of his total bill, to discourage abuse of the insurance privilege. Blue Shield medical coverage would be handled in the same way.

Limitation of additional charges by hospitals and doctors for an insured patient is proposed. If patients ask for better rooms or extra service, this would be limited to say 25% of the insurance coverage, except with written consent of Blue Cross. Coverage for doctors' calls up to 12 a year, eliminating the first, is suggested and possibly 95% of medical and surgical care in hospital, with a fixed scale of charges established.

Mr. Stassen estimates that under the program he outlines, insurance for both hospital and medical service for self and dependents could be issued at approximately \$5 per month per employee.

NORTH CAROLINA ACTION

Premium Discounts on Liability Lines Over \$1,000 O.K.'d

RALEIGH — Commissioner Cheek has approved use of the premium discount plan in North Carolina on liability risks developing in excess of \$1,000 a year in policy standard limits premium. The plan will go into effect on May 1.

The approval followed public hearings held on filings by North Carolina Automobile Rate Administrative Office concerning auto B.I. and P.D. liability, and by National Bureau of Casualty Underwriters on general liability lines. No one opposed the plan at the hearing.

Mr. Cheek approved its application to policies outstanding on the effective date. The premium discounts, he said, would reflect the gradation of expenses according to the size of the risk. Two tables of premium discounts are being established, one for stock companies and the other for non-stock companies.

May Combine Policies

The discount plan, similar to ones already in effect in New York and New Hampshire, contains a provision that a number of policies issued to one risk by the same or affiliated insurance companies may be combined for purposes of determining the premium discount.

Mr. Cheek also approved an amended filing of retrospective rating procedures available on an optional basis for risks developing as much as \$5,000 a year in premiums. For this purpose, he said, it is all right to combine automobile liability, other third party liability and workmen's compensation experience.

Although the general liability plan as approved applies only to business written by member and subscriber companies of the National Bureau, Commissioner Cheek predicted other companies would make similar filings in the near future. He said that no statistics now are available to indicate the number of risks that will qualify for the premium discounts, but "it is nevertheless evident that considerable savings in premiums will result."

Uncertain as to Date of New Ill. "Comp" Rate Filing

The filing of new workmen's compensation rates in Illinois, which it had been hoped would be ready by April 1, may be delayed. The National Council on Workmen's Compensation some time ago advised a rate decrease of approximately 9%, but a counter-proposal has been made through National Bureau of Casualty Underwriters that the rate decrease be made greater. The meetings involved in getting this matter ironed out may postpone action until after the April 1 date.

Warsaw Convention Issue

Lloyds and several British insurers covered the Tudor V airliner which crashed in Wales killing 80 persons. The hull was valued at about \$200,000. A problem has arisen as to whether the Warsaw convention on aircraft carriers liability, that affects flights between nations signatory to the pact, applies in this case. Under the convention rule liability is limited to about \$8,300. The flight began at Belfast in northern Ireland ended in Wales, both within the U. K. Meanwhile, however it landed and took passengers at Dublin, Eire. Whether or not that made the flight an international one bringing in the Warsaw convention is up to the courts to decide.

James J. A. Fortier, curator of Louisiana State Museum, is the speaker March 23 at the bosses' night party of Insurance Women of New Orleans at Jackson Brewing Co.

Condensed Statements Aetna Life Affiliated Companies

Hartford, Connecticut

Morgan B. Brainard, *President*

December 31, 1949

Aetna Life Insurance Company

Assets		\$1,642,774,555.30
Liabilities		1,511,805,331.41
Contingency reserve	\$50,000,000.00	
Capital	15,000,000.00	
Surplus	<u>65,969,223.89</u>	\$ 130,969,223.89

Aetna Casualty and Surety Company

Assets		\$ 164,337,496.49
Liabilities		117,701,862.33
Contingency reserve	\$ 7,400,000.00	
Capital	6,000,000.00	
Surplus	<u>33,235,634.16</u>	\$ 46,635,634.16

Automobile Insurance Company

Assets		\$ 69,266,222.19
Liabilities		44,911,871.83
Contingency reserve	\$ 3,800,000.00	
Capital	5,000,000.00	
Surplus	<u>15,554,350.36</u>	\$ 24,354,350.36

Standard Fire Insurance Company

Assets		\$ 13,859,692.56
Liabilities		8,475,283.38
Contingency reserve	\$ 675,000.00	
Capital	1,000,000.00	
Surplus	<u>3,709,409.18</u>	\$ 5,384,409.18

Total premium income — all Companies — 1949	\$ 402,500,439.64
Paid to or for policyholders since organization	3,234,187,038.20
Life Insurance in force December 31, 1949	8,186,852,800.00
Increase in life insurance in force during 1949	504,250,993.00

SERVICE . . . Past, Present and Future

The condensed statements above reflect clearly the caliber of service to which the Aetna Life Affiliated Companies are dedicated.

For the present, they demonstrate unassailable financial strength and sound, steady growth.

For the past, they show the high order of effort, loyalty

and teamwork displayed by thousands of agents and employees throughout the country.

For the future, these statements assure resources adequate to meet any test, and capacity for continued healthy expansion in all the major fields of insurance — Life, Casualty, Fire and Marine. If a more complete report is desired, this will be sent on request.



LIFE AND CASUALTY

FIRE AND MARINE

AETNA LIFE INSURANCE COMPANY

AETNA CASUALTY & SURETY COMPANY

AUTOMOBILE INSURANCE COMPANY

STANDARD FIRE INSURANCE COMPANY

Independents Are Ready for Parley at San Antonio

General Jonathan M. Wainwright, hero of Bataan and Corregidor, and Casualty Commissioner J. P. Gibbs of Texas are to initiate the regional meeting of National Assn. of Independent Insurers to be held at the Plaza Hotel, San Antonio, April 20-21. Mr. Gibbs will greet the visitors and General Wainwright, who is president of Acme Mutual and Armed Forces Mutual Life of San Antonio, will give response.

Features of the program were announced by Vestal Lemmon, manager of the executive headquarters at Chicago, who will report on aims and activities of the organization. All interested insurance men in the area are invited to attend.

Independent Statistical Service, a department of the association, also will hold its annual meeting with a report on operations by Manager J. F. Gill.

During the first morning Erwin A. Meyers, Chicago lawyer, chairman of the N.A.I.I. legislative committee, is to give "An Appraisal of State Rate Regulation up to the Present", and C. B. Kenney, vice-president of Allstate, will speak on "Practical Angles of Rate Filings".

Thomas C. Morrill and James J. Higgins, deputy superintendents of the New York department, will conduct a four hour program on uniform accounting procedures.

There will be a luncheon with Levering Cartwright, managing editor of THE NATIONAL UNDERWRITER as speaker and in the evening a cocktail party on the roof garden, followed by a dinner at which the chief address will be given by Ken McClure.

Arrangements have been made by Mr. Lemmon for gondola trips the first afternoon, and also for sightseeing tours to ancient missions, historic shrines and scenic spots at a special convention rate.

No Double Indemnity to Aggressor

Tennessee court of appeals at Nashville has upheld the Davidson county chancery court's decision that there is no liability for double indemnity when the insured's death is the result of his being the aggressor in a quarrel which led to his being shot. The case was *Farrell vs. Metropolitan Life*. The evidence was that the insured started a quarrel with a man who had a pistol and lunged at him even though he had been warned to stop.

London Assurance is holding a field roundup at the New York headquarters office this week.

Princeton "Prof" Takes Swipe at Insurers on SS

WASHINGTON—A feature of testimony on social security Monday before the Senate finance committee by Sumner H. Slichter, associate chairman, and Douglas Brown, Princeton University, member, of the Social Security Advisory Council, was advocacy of total and permanent disability coverage under H.R. 6000.

Strongly urging inclusion of disability coverage under new legislation, Dr. Brown attacked the insurance companies.

"The hard core of opposition to permanent and total disability insurance in this country are the insurance carriers, which have assumed the role of 'impartial' advisers to government to save government from the foolish mistakes the carriers have made in competitive underwriting in this area of insurance," he said.

"If the Congress takes the advice of the insurance companies we will have no permanent and total disability insurance in 1950 or 1970 or in the year 2000. Meanwhile, the contributory OASI program would be whittled down further and further until, as a minimum flat-rate benefit, it would not interfere in the slightest with such business as these carriers cared to canvass.

"It is high time that the positive needs of the workers, employers, and public of this country be placed above the negative convenience of a small but clever interest group."

Slichter Counsels Caution

Dr. Slichter discussed the recommendations of the advisory council on disability and recommended that such a program should be started "on a small scale," so that if mistakes are made they will be "on a small scale." Estimating that by 1960, from 157,000 to 450,000 persons might be drawing disability benefits, Slichter remarked "that is just a bite at a big and important problem."

"The problem is a big one not particularly well understood," he continued. "A small beginning should be promptly made. We recommended something workable, which undertakes too little rather than too much."

It would be necessary to require a recent connection of the applicant for disability benefits with the labor market.

Senator Taft inquired about government regulation of private plans covering an entire industry, such as coal for instance, or covering a certain region, such as he said is being considered in the Toledo area. He made the point that under such plans, John L. Lewis, for example imposes a tax upon the public.

"It is exactly the same as if we set up a separate plan like railroad retirement," said Taft.

Senator Byrd dwelt upon the size and cost of private plans, which he said ultimately comes out of the pockets of the people. "The whole cost may become fantastic and overwhelming unless there is coordination" somewhere along the line between private plans and OASI, he said.

But Slichter contended it doesn't make any difference whether pensions are paid or wages increased.

"Wages may be reduced sometime, perhaps," interjected Senator Taft. "Pensions can't be reduced."

"During a depression a private corporation might not be able to pass on the increased cost of pensions," said Byrd.

"If government concerns itself with the solvency of insurance companies, as it has for many years," said Slichter, "then it is proper to concern itself with the solvency of industry pension funds, which really approach the nature of insurance. Funds that affect the public interest should be regulated."

"The time has come to challenge this idea that there is something magic in 65, which we pull out of the atmosphere" and use as the basis of compulsory retirement, said Slichter in discussing the problem of premature retirement. He gave figures to show that in past decades, according to the census, a much larger proportion of the labor force was over 65, or 70 or even 75.

It is O.K. to have executives and professors retire early, the witness said, because they should be imaginative and perhaps would get into a rut. However, the ordinary run-of-mine worker does not have to exercise much imagination. To retire people forcibly at 65 is not in the national interest, the witness said, and does not reflect the preference of the men themselves, to a large extent.

Downey Says Company Standards Need Study

LOS ANGELES—Insurance Commissioner Downey of California told 150 members of the Insurance Assn. of Los Angeles that present minimum standards for financial responsibility of insurance companies need study. He suggested that though California standards are above those set by many other states, for some lines they are still too low. He termed the country as at or near the peak of a business cycle and commented that when the cycle swings downward remedial action will be necessary in the case of some of the insurance companies. Then it is too late to remedy many situations, he declared.

Mr. Downey commented that a few members of Congress would like to see the federal government take over the insurance business. He feels their real object is life insurance rather than fire and casualty, because they would like to get control of the savings of the public that are temporarily in the hands of life insurance companies. He commented that if states will refuse to condone the insolvency of the insurance companies and the dishonesty or incompetency in their management, no scandal will occur that will call for federal supervision.

Cincinnati Cab Strike Raises Insurance Problem

CINCINNATI — The strike which has virtually stymied the taxi transportation service here raised a problem in automobile insurance.

Many drivers out on strike are using their private automobiles as "free" cabs, carrying passengers to their destinations, but naturally accepting tips. With the advent of this situation the question was raised by some local insurance men concerning the possible injury of any of these "passengers" and whether the drivers are covered by their liability insurance.

Effect of Guest Law

Most Cincinnati insurance men answered affirmatively. They contend that the "free passenger" is a "guest" and any liability would be covered by the driver's liability policy. The Ohio guest law exempts a driver from liability to any guest, except for wilful or wanton misconduct. The cab companies advertised that anyone who uses this transportation and does not pay is riding at his own risk and cannot hold anyone liable. The local agency writing the policies of the striking companies withheld comment.

The city of Cincinnati requires an automobile bodily injury liability and property damage policy with \$5/10/1,000 limits or a bond of \$11,000 in lieu of the policy before a taxicab license will be issued. Also the department of public utilities of Cincinnati demands a certificate from the cab companies. The striking drivers, of course, are not licensed as taxi operators and have not had to show such insurance.

No real test of this question, such as an actual claim, has been brought forward and perhaps the only solution to it would be a court decision.

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CRIME CHECK LIST

Questionnaire Highlights Weak Spots in Protection

A "crime check list" was sent to banks and savings and loan associations of the country early in March by American Surety. It was in the form of a questionnaire covering the principal crime hazards, with the questions phrased in such a way as to strongly suggest preventive measures.

The questionnaire went out with a covering message calling attention to three crimes, an early morning bank holdup; a savings and loan burglary, and the Brink's Express Co. theft. This was signed by A. F. LaFrentz, president, and suggested the urgent need for reviewing and confirming operation of safety measures and protective machinery for cash and securities.

Wide Response

The mailing has had wide response. One bank recommended recordmaking money, which it and some other banks do with Treasury approval. The questionnaire is based to some extent on the "Bank Questionnaire Manual," which was revised and reissued in 1938, and of which some 25,000 copies were distributed. That was prepared by R. T. Wood, manager of the bank division, fidelity department, and F. J. Parry, vice-president and manager burglary and plate glass division.

One reason for the interest in the questionnaire may be the increasing number of crime losses in financial institutions. The questionnaire follows:

Burglary and Ambush Hazards

Are windows located in alleyways, on poorly lighted streets, rear or side lots, courts, arcades, airshafts, skylights and similar openings protected by iron or steel bars or heavy steel screening securely anchored in strong frames or protected by burglar alarm?

Are doors, particularly those not located on well traveled streets, of substantial construction, preferably reinforced by sheet metal or an auxiliary iron or steel grille door?

Has a secret signalling system been arranged whereby the first employee can set "all clear" signal for other employees?

Bank Premises Holdup Hazard

Are all doors, except main entrance, kept locked at all times?

Are all doors (including interior doors) leading to the banking enclosure kept closed and locked?

Are alarm signalling devices installed in appropriate places?

Has opaque glass been installed around signalling device area or elsewhere to prevent a single bandit from covering entire bank premises?

Reserve Cash Protection

If delayed timelock and timelock protection are available, is the major portion of the reserve cash kept under timelock with only anticipated reserve cash needs of tellers placed under delayed timelock?

If safe has timelock protection only is bulk of reserve cash kept therein with tellers and emergency cash needs segregated among a number of safe deposit boxes?

Is safe closed and timer reset promptly after cash reserve has been adjusted to meet immediate requirements?

Do you employ a staggering period fore and immediately after opening hour, at noon or immediately before closing hour?

Do you employ a staggering periods for time lock release so that a set routine over long period will be avoided?

If delayed timelock is part of your equipment is the period of delay at least 15 minutes?

Counter Cash

Is total tellers' cash kept with 1% of deposit liability?

Is cash in tellers' cage spread in more than one receptacle to avoid concentration?

If cash accumulates in tellers' cages during day is excess removed and placed under reserve cash protection?

If substantial deposits are received on particular days from certain customers are they removed and placed in safe deposit boxes or under timelock immediately to minimize holdup timed with bank acceptance of such deposits?

In-Transit Hazard (Messenger Holdup)

Do you limit the amount transported by messengers as follows: Not more than \$10,000 by unaccompanied messenger?

(an armed guard, however, is desirable if possible). Over \$50,000 by armored car or police car protections?

To prevent a transit of bank property being "spotted" readily, do you vary the time and wherever possible the route of these trips? Rotate messengers and guards? Use packages or bags without identifying marks?

Do you withhold from messengers and guards, the time of departure, the route and the means of transportation until immediately before the transit is undertaken?

Peak Exposure Payrolls

Are guards accompanying shipment required to remain until money has been safeguarded properly?

Do you place money under delayed timelock or in several safe deposit boxes immediately upon its receipt?

If counter cash is increased to cash payroll checks do you solicit police protection?

Sneak Thief Thefts

Are tellers' window openings so constructed that customers or strangers can not abstract, by hand or by means of a stick or other tool, cash from counters? If not so constructed do tellers invariably

keep cash off counters and locked in cash drawers whenever away from their counters or windows?

Do officers and other employees who are required to have securities in their possession make it a practice never to leave their desks while securities are exposed thereon?

Have all money and security handling employees been cautioned to be on the alert for fake telephone calls seeking their presence elsewhere in the bank while such money or securities are exposed on their desks?

Two Iowa Hearings for Bankers Life & Casualty

DES MOINES—The Iowa department has set two hearings for Bankers Life & Casualty in connection with its use of the "White Cross plan" in its advertising.

The first hearing has been set for March 27 on the question of its agents using what the department describes as misleading advertising. The second hearing March 29 will be on renewing the company's license April 1.

District Judge Franklin recently granted the company a permanent injunction preventing the department from revoking its license because of the use of advertising on the White Cross plan. He held the commissioner did not have the authority to revoke the com-

pany's license. The state department is expected to appeal that decision to the state supreme court.

The first hearing is expected to involve the question of agents' licenses, as the commissioner has authority to revoke an agent's license for using misleading advertising. The hearing on the company's license will also bring up a different issue, as the commissioner will not be revoking its license but will question issuing a renewal.

Hold So. Cal. Banquet

LOS ANGELES—Surety Underwriters Assn. of Southern California held its annual banquet with about 150 present. Robert E. Hecht, immediate past president, was presented with a clock in appreciation of his work.

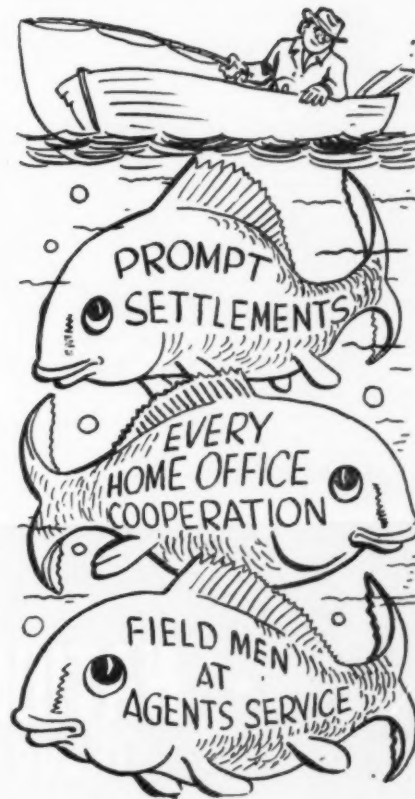
Place Mont. Boiler Line

Montana Insurance Agency of Butte and Western Realty & Loan of Billings have been awarded the contract to insure all steam boilers owned by the state of Montana. Their bid was \$5,986 in behalf of General Casualty of Seattle. There were several other agencies submitting bids for General and two submitted bids of \$7,315 for Hartford Steam Boiler.

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Hawkeye-Security-Industrial offer every agent every conceivable help to aid him in building sales. These three great companies give speedy efficient service, pay claims promptly and provide the highest type of field representatives to work closely with agents. Yes, you'll find HAWKEYE-SECURITY-INDUSTRIAL a fine combination to team up with.



HAWKEYE CASUALTY CO.

SECURITY FIRE INS. CO.

INDUSTRIAL INS. CO.

Des Moines, Iowa

HAWKEYE • SECURITY • INDUSTRIAL • THREE OF THE FINEST

CHANGES IN CASUALTY FIELD

Travelers Head at Chicago Retires

James White is retiring as casualty manager at Chicago March 31 after more than 38 years service with Travelers. He has served as inspector, spe-



JAMES WHITE

cial agent, assistant manager and manager. He was made manager at Chicago in 1934.

Announcement of the successor will be made at the farewell party by Vice-president H. A. McKay, on Thursday evening.

The farewell dinner will be attended by about 140 Travelers agents and employees, with principal talks by Mr. McKay, Lester A. Klein, secretary of Travelers Indemnity, and John Angus, assistant superintendent of agencies, from the head office. Mr. White will be presented with a very handsome gift in behalf of the assemblage by Leslie H. Cook of the reinsurance office of Leslie H. Cook, Inc.

Mr. White is sailing for England April 8 and will join Mrs. White, who has been over there for several weeks. They both originated in England and they will be visiting relatives and friends in England, Scotland and northern Ire-

land. They expect to return to this country Nov. 15 and to make their home in the east.

Erdmann New Head of Central National of Omaha

Harry H. Erdmann has been elected president of Central National of Omaha to succeed William R. Synder, resigned.

Mr. Erdmann has been executive vice-president of Resolute Fire. He has spent his entire business career in the insurance industry. From 1928 to 1934 he was eastern department claim manager for Hardware Mutual Casualty, and then joined Connecticut Indemnity as vice-president. In 1945 he was elected executive vice-president of Emmco and two years later joined Resolute in a similar capacity.



HARRY H. ERDMANN

Sharpe, Clarke in New Posts with Home Indemnity

Home Indemnity has appointed E. Bramley Sharpe as manager of the compensation department.

Mr. Sharpe started with Employers Liability as general casualty underwriter after graduating from the University of Pennsylvania. He joined Fidelity & Casualty in 1937 as compensation and liability underwriter. In 1944 he went with American Automobile as supervisor of compensation and liability underwriting.

Home Indemnity has established a special risk department under the supervision of Eric Clarke.

After graduation from Wesleyan University, Mr. Clarke started his insurance career with Liberty Mutual, and later joined the eastern department of Zurich. In 1942 he joined Connecticut Indemnity in New Haven and resigned early this year to go with Home Indemnity.

Opens Minn. Claim Unit

The J. E. Murphy Co., Inc., of Minneapolis, exclusive general agents in Minnesota for General Casualty of Wis-

consin, has opened a Minnesota claims department. Ray Miller has been transferred from the head office at Madison to Minneapolis to take charge. He has had 10 years' adjusting experience.

Eight Promoted by American Mutual

American Mutual Liability has made eight changes in its official line-up. E. A. Buretzloff, resident vice-president in the southern division, has been elected vice-president; George W. Leeman has been advanced from assistant vice-president to resident vice-president in the New England division; Frank S. Young, is promoted from assistant vice-president to resident vice-president in the southern division, and Julio Correa has been named assistant vice-president. He has been assistant secretary.

Arthur T. Bogue has been elected assistant vice-president and Kenneth M. Hills and William D. Spencer have been named assistant secretaries.

Gordon Harrower, secretary-treasurer of Wauregan Mills has been elected a director.

Melrose to Portland Office

Sam Melrose, Jr., has been transferred to the Portland, Ore., service office of American Surety. He has been in the Seattle office and has served as secretary of Casualty Insurance Assn. of Washington. He is succeeded in the latter post by William Keehn, Hartford Accident.

State Farm Promotions

Several promotions have been made by State Farm companies.

Merritt C. Ackland, formerly manager at Alhambra, Cal., has been named agency director in charge of the 11 western states. He is succeeded at Alhambra by Dale Hill, who has been manager at Vallejo.

Dale V. Flippe, agency supervisor in California, has been named state director of the Carolinas. He is succeeded by Delbert M. Kibbie, formerly district manager at Glendale, Cal.

New Claim Offices Opened

Hartford Accident has opened claim offices at Augusta, Ga., and Rice Lake, Wis.

Harry Leonard is in charge in Augusta. He has been resident adjuster for Hartford since 1947 and is a graduate of John Marshall law school of Atlanta. The office is at 915 Greene street. At Rice Lake, Robert B. Weizenegger

is in charge. He has been with the company since 1948 and before that was with Hardware Mutual. He served as a captain in the air force during the war.

Aplin Great American S. A.

Donald B. Aplin has been appointed special agent for Great American Indemnity. He joined Great American last October. Previously he was with George C. Newell Co. general agency and with Northwest Casualty's home office.

St. Louis Branch Opened

Ocean Accident and Columbia Casualty have opened a branch office at St. Louis in the Railway Exchange building.

Fred W. Neuner is resident manager. He has been in the business for many years and has been special agent for Ocean at Chicago, and more recently was resident manager at Pittsburgh.

Loft Named at L. A.

American Automobile has appointed Rodney W. Loft as supervisor of the group department at Los Angeles. Mr. Loft has been with Zurich in southern California. He succeeds E. T. Gill who has been transferred to New York.

Mattingly Named in Ind.

Thomas A. Mattingly has been named casualty special agent in Indiana for Loyalty group with headquarters in Indianapolis.

Mr. Mattingly was formerly insurance department manager for State National Securities Corp. of Indianapolis. He was a pilot in the air force during the war.

Sharpe to Home Indemnity

Bramley Sharpe has joined Home Indemnity as manager of the compensation department under the supervision of George B. Gay, superintendent of the "comp" and liability department. Since 1944 he has been supervisor of compensation and liability underwriting for American Automobile. He graduated at University of Pennsylvania in 1930 and then went with Employers Liability. From 1937 to 1944 he was with Fidelity & Casualty.

Whitney Stone, president of Stone & Webster, has been elected a director of General Reinsurance.

COMPANIES

General Re Has Strong Statement

General Reinsurance in its new statement, reports assets of \$53,557,094 which is an increase of \$2,561,497. Cash and governments comprise 46% of the investments. Claim reserve is \$24,540,270, increase \$1,554,178. Premium reserve was up \$277,508 and stands at \$7,604,648. Capital remains at \$5 million, net surplus at \$10 million and voluntary reserve is \$3,224,139, an increase of \$1,128,216. The policyholders surplus is thus \$18,224,139.

The affiliated North Star Reinsurance had assets \$21,566,894, increase \$3,208,485. It had cash and governments comprising 61% of investment. Premium reserve was up \$1,873,262 at \$12,588,938. Policyholders surplus was \$6,158,399, increase \$730,757.

Stock-Reciprocal Deal OK

Superior Judge Shoemaker at San Francisco has approved the transfer to and assumption by Industrial Indemnity of policies and business of Industrial Indemnity Exchange which took place Jan. 1, 1949. The judge found that the agreement was O.K. A few of the policyholders had entered dissent and had

The

NATIONAL MUTUAL

INSURANCE COMPANY

Celina, Ohio

Strictly an Agency Company

FOR

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THAT BRINGS

SATISFACTION

*A Progressive Company
for Aggressive Agents*

FIRE; INLAND MARINE
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The

CELINA MUTUAL

CASUALTY COMPANY

Celina, Ohio
Automobile and
Casualty Lines

*Selling Tools for Any
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With sound Protection
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sought to place a constructive trust on company assets. The court decided that all the policyholders had been fully and fairly advised and that the method of paying off the policyholders was correct. Also, that policyholders who dropped out of the reciprocal in previous years had no interest in its net worth.

Industrial Indemnity has made an initial payment of \$1 million to a trustee for distribution to the policyholders of the reciprocal.

Industrial Indemnity is one of the units in the Henry Kaiser set-up.

Starts Suits to Dissolve Two St. Louis Insurers

JEFFERSON CITY, MO.—Suits requesting the dissolution of General Indemnity Exchange and St. Louis Casualty & Surety, both headed by Patrick J. McGuire of St. Louis have been filed in Cole county circuit court by Superintendent Leggett.

The petitions were filed under a state law that enables the insurance division to request the dissolution of insurers not actively engaged in the business for more than a year. Mr. Leggett said that General Indemnity, a reciprocal, has not been licensed in Missouri since 1945.

When St. Louis Casualty filed its 1949 report, it showed assets of \$400,786 and liabilities of only \$158. The company took over most of the business of General Indemnity in 1945 but has not been actively operating for several years.

Mr. McGuire is now in Arizona. R. A. Kuhn, who was listed as secretary for both companies, has stated that it is unlikely the suit will be opposed.

St. Louis Casualty wrote workmen's compensation and general liability insurance.

Citizens Would Enter Cal.

Citizens Casualty has applied for admission to California. Kurt Hitke & Co. will be general agents.

Surplus in the following company reports refers to surplus to policyholders.

Canadian Indemnity—Assets, \$2,504,747; inc., \$547,641; unearned prem., \$364,879; loss res., \$490,574; capital, \$300,000; surplus, \$727,729; inc., \$113,312.

	Net	Paid
	Premiums	Losses
Auto liability	\$ 224,380	\$ 53,780
Other liability	292,772	67,551
Burglary & theft	48,601	24,371
Auto prop. damage	132,097	40,113
Other P.D. & coll.	20,227	6,765
Totals	\$ 718,129	\$ 192,580

Coal Operators Casualty—Assets, \$8,964,998; decr., \$259,917; unearned prem., \$2,190,983; loss res., \$4,818,178; capital, \$500,000; surplus, \$1,278,332; inc., \$155,115.

	Net	Paid
	Premiums	Losses
Auto liability	\$ 584,690	\$ 165,864
Other liability	523,745	155,788
Workmen's comp.	2,839,513	901,674
Glass	146,930	42,210
Burglary & theft	19,556	9,790
Auto prop. damage	208,893	83,439
Auto collision	26,794	14,713
Other P.D. & coll.	31,881	8,681
Fire line	40,618	5,671
Totals	\$4,122,620	\$1,387,830

Cosmopolitan Mutual Cas. N. Y.—Assets, \$7,276,061; inc., \$1,299,021; unearned prem., \$1,587,037; loss res., \$2,769,136; surplus, \$2,067,625; inc., \$286,986.

	Net	Paid
	Premiums	Losses
Auto liability	\$ 584,690	\$ 165,864
Other liability	523,745	155,788
Workmen's comp.	2,839,513	901,674
Glass	146,930	42,210
Burglary & theft	19,556	9,790
Auto prop. damage	208,893	83,439
Auto collision	26,794	14,713
Other P.D. & coll.	31,881	8,681
Fire line	40,618	5,671
Totals	\$4,122,620	\$1,387,830

Erie Exchange—Assets, \$2,689,461; inc., \$668,235; unearned prem., \$932,484; loss res., \$627,457; surplus, \$1,001,854.

	Net	Paid
	Premiums	Losses
Auto liability	\$ 868,949	\$ 268,115
Other liability	5,259	470
Fire & ex. cov.	98,244	18,748
Auto prop. damage	575,151	254,630
Auto collision	675,050	256,677
Other auto	242,583	75,090
Totals	\$2,465,236	\$ 873,730

Farm Bureau Mutual, Kan.—Assets, \$3,619,243; inc., \$1,011,735; unearned prem., \$1,014,769; loss res., \$956,298; surplus, \$1,452,312; inc., \$588,024.

	Net	Paid
	Premiums	Losses
Auto liability	\$ 938,162	\$ 278,767
Employers liability	46,149	21,522
General farm liab.	74,200	6,767
Comprehensive	643,964	271,659
Auto prop. damage	318,874	263,732

	Net	Paid
	Premiums	Losses
Auto collision	1,565,656	\$70,144
4-H calf	3,238	2,607
Totals	\$3,590,243	\$1,655,138

Fireman's Fund Indemnity—Assets, \$55,078,203; inc., \$9,233,094; unearned prem., \$14,356,143; loss res., \$21,985,596; capital, \$1,700,000; surplus, \$13,995,305; inc., \$4,791,183.

	Net	Paid
	Premiums	Losses
Accident	\$ 635,839	\$ 260,486
Health	134,925	46,828
Group A. & H.	1,630	2,009
UCD	333,897	150,588
Auto liability	8,959,721	3,465,344
Other liability	4,094,313	1,084,151
Workmen's comp.	5,945,793	2,739,258
Fidelity	520,662	139,045
Surety	1,154,190	227,072
Glass	480,543	181,260
Burglary & theft	1,384,361	564,752
Boiler & machinery	108	.....
Reins. war ind.	3,622	.....
Auto prop. damage	4,428,373	2,016,136
Auto collision	1,537,739	483,904
Other P.D. & coll.	871,233	291,024
Other auto	739,221	180,687
Aircraft	76,759	19,642
Totals	\$31,302,929	\$11,852,186

Guarantee of N. A.—Assets, \$2,132,748; inc., \$177,484; unearned prem., \$322,358; loss res., \$107,662; capital, \$400,000; surplus, \$1,637,742; inc., \$37,407.

	Net	Paid
	Premiums	Losses
Fidelity	\$ 130,522	\$ 25,407
Surety	249,563	35,666
Totals	\$ 380,086	\$ 61,073

International Fidelity—Assets, \$2,065,241; inc., \$32,713; unearned prem., \$45,969; loss res., \$10,764; capital, \$300,000; surplus, \$1,938,794; decr., \$16,913.

	Net	Paid
	Premiums	Losses
Fidelity	\$ 80,680	\$ 3,356
Surety	8,176	.....
Totals	\$ 88,857	\$ 3,356

National Auto & Cas.—Assets, \$12,051,377; decr., \$246,674; unearned prem., \$3,564,900; loss res., \$5,091,156; capital, \$1,000,000; surplus, \$1,559,542; inc., \$114,130.

	Net	Paid
	Premiums	Losses
Auto liability	\$1,516,112	\$ 673,595
Other liability	674,446	180,734
Workmen's comp.	3,197,667	1,988,732
Fidelity	11,252	3,323
Surety	275,434	9,319
Glass	116,779	46,195
Burglary & theft	153,772	56,837
Auto prop. damage	1,008,702	453,761
Auto collision	1,045,317	410,630
Other P.D. & coll.	189,699	75,478
Other Auto	602,907	258,112
Fire	40,327	1,132
Totals	\$8,832,414	\$4,157,848

National Union Indemnity—Assets, \$2,598,107; inc., \$1,158,720; unearned prem., \$636,414; loss res., \$305,619; capital, \$750,000; surplus, \$1,540,618; inc., \$639,820.

	Net	Paid
	Premiums	Losses
Auto liability	\$ 414,162	\$ 116,877
Other liability	91,872	10,622
Fidelity	5,243	—117
Surety	50,065	7
Glass	21,498	4,770
Burglary & theft	57,572	24,640

	Net	Paid
	Premiums	Losses
Auto prop. damage	242,675	108,163
Other P.D. & coll.	6,966	1,770
Other auto	136,773	8,019
Totals	\$ 969,254	\$ 274,751

Progress Assn. Ill.—Assets, \$485,365; decr., \$20,848; unearned prem., \$307,244; loss res., \$135,566; surplus, \$33,692; decr., \$29,825.

	Net	Paid
	Premiums	Losses
Auto liability	\$ 448,998	\$ 161,423
Auto prop. damage	277,200	123,027
Auto collision	191,647	231,392
Other auto	79,234	32,311
Totals	\$ 997,079	\$ 548,152

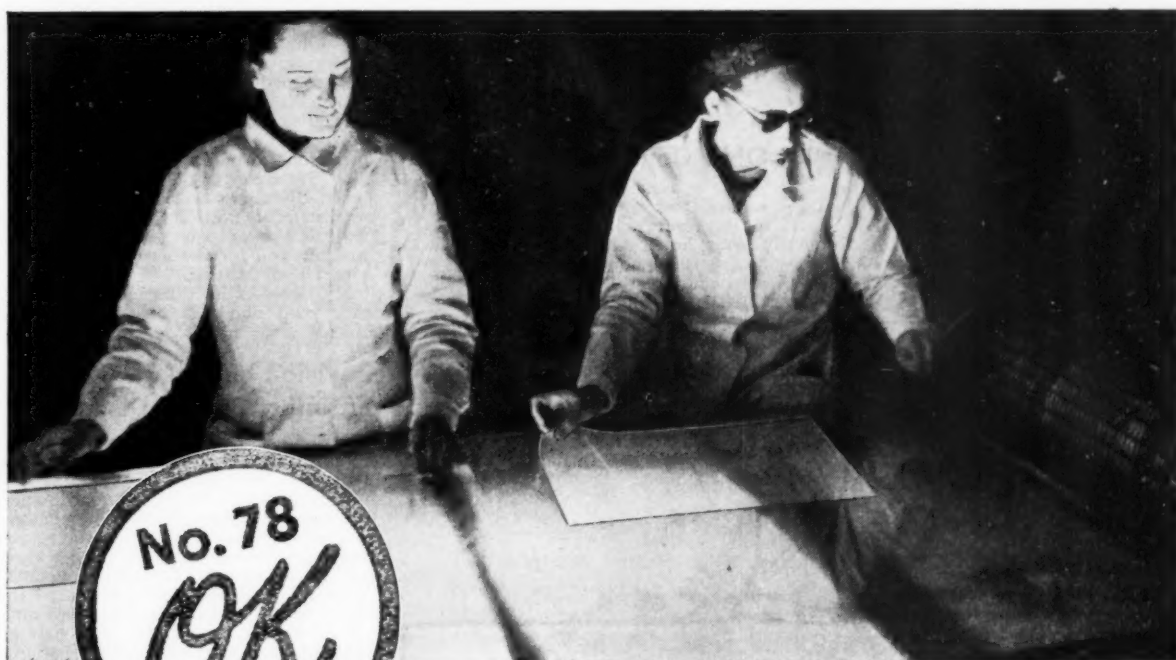
Transport Exchange, Cal.—Assets, \$3,856,375; inc., \$705,887; unearned prem., \$341,512; loss res., \$1,703,889; surplus, \$1,080,158; inc., \$242,510.

	Net	Paid
	Premiums	Losses
Auto liability	\$1,423,507	\$ 630,823
Other liability	23,930	865
Workmen's comp.	554,296	164,090
Auto prop. damage	766,543	189,239
Auto collision	85,473	49,129
Other P.D. & coll.	22,934	2,334
Other auto	151,821	20,994
Cargo	130,086	47,153
Totals	\$3,158,590	\$1,104,627

Yorkshire Indemnity—Assets, \$5,892,948; inc., \$227,979; unearned prem., \$1,547,273; loss res., \$2,541,435; capital, \$750,000; surplus, \$1,578,004; inc., \$60,565.

	Net	Paid
	Premiums	Losses
Auto liability	\$ 952,533	\$ 432,237
Other liability	642,967	368,744

(CONTINUED ON NEXT PAGE)



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Maybe we're too fussy. That's for you to decide. But we're so "hipped" on keeping L-O-F Safety Glass 'way out in front for quality that we take time to make no less than 142 checkups and inspections during manufacture. No. 78, for example, is a polarized light examination of the freshly washed plastic laminate, for cleanliness and clarity.

These 142 Quality Checks and Controls are important to you and your policyholders because they give L-O-F Safety Glass:

1. Better heat stability
2. Better light stability
3. Better strength for safety
4. Better adhesion, glass to plastic

That's why L-O-F Hi-Test is the best Safety Plate Glass you can get—anywhere. Libbey-Owens-Ford Glass Company, 935B Nicholas Building, Toledo 3, Ohio.

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HI-TEST SAFETY



BE SURE YOU GET WHAT YOU PAY FOR



There are two grades of Safety Glass—one made of polished plate glass, the other of sheet or ordinary window glass. Claim agents who are on their toes, when honoring broken glass claims, always specify Safety Plate Glass and look for the L-O-F identifying stencil on each light supplied. That assures the policyholder and your company of getting full value.

	Net Premiums	Paid Losses
Workmen's comp....	429,139	190,744
Fidelity	66,967	12,866
Surety	234,341	157,953
Glass	144,062	62,725
Burglary & theft...	332,875	122,549
Auto prop. damage.	500,768	248,104
Other P.D. & coll....	38,844	17,819
Totals	\$3,342,500	\$1,613,745
Utilities Mutual — Assets,	\$5,186,197,	
inc., \$558,492; unearned prem.,	\$200,560;	
loss res., \$2,767,582; surplus,	\$1,786,624,	
decr., \$23,492.		
Liability	\$ 375	
Workmen's comp....	\$1,716,823	\$ 846,655
Totals	\$1,716,823	\$ 847,030

ACCIDENT

Legion Chief to Be Chicago A. & H. Banquet Speaker

George E. Craig of Indianapolis, national commander of the American Legion, will be the guest of honor and chief speaker at the 25th anniversary banquet of Chicago A. & H. Assn. May 16, it was announced at the association's March meeting by Irving Wessman, Loyalty group, chairman of the banquet committee. Mr. Craig will speak on the present outlook for communism and the welfare state in the United States. Governor Stevenson of Illinois and Mayor Kennelly of Chicago will attend.

There will also be three 15-minute talks, by Insurance Director Hershey of Illinois on the present outlook for accident and health so far as the insurance departments are concerned; V. J. Skutt, president Mutual Benefit H. & A., on the outlook for companies writing accident and health, and E. H. O'Connor, Insurance Economics Society, on the

outlook for federal and state compulsory insurance laws.

The banquet will be held at the La-Salle hotel at 7 p.m. and will be preceded by a cocktail hour at 6:30.

H. & A. Conference Holds Regional at Los Angeles

H. & A. Underwriters Conference held a regional meeting at Los Angeles Monday for coast companies. George W. Kemper, Fireman's Fund Indemnity, presided at the morning session and R. W. Smith, Sr., Unity Mutual Life & Accident, in the afternoon.

The training and licensing program for agents in California was reviewed by S. S. Battleson, West Coast Life, and Milton L. Rose, general agent Massachusetts Protective. J. C. Earl, Beneficial Standard Life, discussed hospital, medical and surgical insurance, and F. Britton McConnell, Unity Mutual Life & Accident, took up HR 6000, the social security extension bill.

C. O. Pauley, managing director, and John P. Hanna, associate managing director, from the conference headquarters office at Chicago, discussed various phases of legislation and insurance department rulings.

There was also the usual open forum, when topics were schedule type policies, over-age risks, cash sickness laws and their effect on the business and paying claims when policyholder is a patient in a VA hospital, concluding with the question box.

Ohio Congress Features

The program for the annual meeting and sales congress of Ohio Assn. of A. & H. Underwriters, to be held at the Seneca hotel, Columbus, April 14, has now been completed.

In addition to the speakers previously listed, it is announced that Roscoe R.

Walcott, Ohio state senator, who is a noted after-dinner speaker, will talk at the banquet. Following the banquet, Loyal Clark, line coach of Ohio State University, will show the official motion pictures of the Rose Bowl game between Ohio State and University of California.

Swett & Crawford and Union Mutual Team Up

Union Mutual Life of Portland, Me. has appointed Swett & Crawford as Pacific Coast general agents for life and disability lines. Union Mutual has re-entered California. It was originally licensed in 1850 and was the fourth life insurance company to get a California permit.

At first Union Mutual will be handled by Swett & Crawford for California only through its offices at Los Angeles, San Francisco, Oakland, Fresno, Sacramento and San Jose. Later, Swett & Crawford will take on Union Mutual in Oregon, Washington, Arizona, Texas and British Columbia.

Waldo T. Worcester, former assistant manager of the home office agency of Union Mutual becomes manager of the Swett & Crawford life department, Charles H. Biesel, former assistant manager of New York mid-town branch, becomes life manager at San Francisco and John C. Russell, Jr., former group supervisor at Buffalo, becomes head of the group department at Los Angeles.

Mr. Worcester has been with Union Mutual since 1932. He is a graduate of Boston university. He was president of Union Mutual's Leading Production Club five times.

Mr. Biesel has seen service with Connecticut Mutual at New York, Provident Mutual, Massachusetts Mutual, Manhattan Life and for the past year has been with Union Mutual.

Mr. Russell is a former John Hancock man and has been with Union Mutual since last November.

Revision of A. & H. Sales Training Course Discussed

A revision of the sales training course of International Assn. of A. & H. Underwriters was discussed at a meeting of the disability insurance coordinating committee at Chicago. Possible changes in the curriculum were explored and its availability to A. & H. agents studied. The idea of offering a course of A. & H. fundamentals tailored to the needs of individual agencies or companies was discussed. It was pointed out that such a course could be offered on a three- or five-day basis, or longer if desired. Further study will be made before final plans for a course revision are adopted. Other subjects discussed include sales promotional events and public relations.

Representing the International association were: D. S. Walker, Mutual Benefit H. & A., Philadelphia; B. A. Hedges, Business Men's Assurance, Wichita; President C. B. Stumpf, Illinois Mutual Casualty, Madison, Wis., and W. J. A. Jones, executive secretary. Representing H. & A. Underwriters Conference were: J. W. Scherr, Jr., Inter-Ocean; R. L. Paddock, Time; E. J. Faulkner, Woodmen Accident; C. O. Pauley, John P. Hanna and James R. Williams of the conference staff.

The committee is a liaison group to coordinate the interests of agents and companies for the development of A. & H. insurance as a public service.

New Travel Policy

Continental Casualty has brought out a policy called "Travelmaster" giving \$25,000 travel accident cover at a \$25 annual premium. The coverage is world-wide and extends while the assured is a passenger in any air, land or water conveyance licensed for transportation or passengers for hire, as well as on any aircraft operated by a U. S. or British military or naval air transport service. The policies are put up in

books with 10 policy sets to a book. A set consists of the policy and three copies. Policies may be typewritten or hand-written in one operation, completing all copies.

Continental is paying 35% to general agents and 25% to producers.

Bill Brink President of Detroit A. & H. Association

Detroit Assn. of A. & H. Underwriters, which will be host to the annual meeting of the International association June 26-30 on a Great Lakes cruise, has elected Bill O. Brink, Mutual Benefit H. & A., and United Benefit Life, as its new president. He is also convention general chairman.

Harold A. Boardway, Massachusetts Protective, becomes first vice-president; Bruce A. Brown, second vice-president, and Robert M. Clark, Mutual Benefit H. & A., secretary-treasurer. Executive board members are Dan S. Holeka, Life of Virginia, retiring president; Robert J. Barraett, Monarch Life; Jack Whiting, Income Guaranty; Ed Matyn, American Insurance Agency; Ben Schenck, Jr., American Hospital-Medical Benefit, and Robert Guy, Mutual Benefit H. & A.

It was announced that more than 400 reservations already have been made for the convention cruise and that 700 more are still available.

Charles J. Gavreau, Toronto manager of Canada Health & Accident, will speak April 11 on "Sell the Need (The Policy Will Sell Itself)."

Polio Assn. Reports on Dread Diseases Policy

Results of a survey of companies writing polio and dread diseases policies were reported at a meeting of Polio Insurance Assn. at Dallas.

Member companies of Polio Assn. have more than a million policies outstanding covering 3,374,054 persons. A majority of the claims received on polio and dread diseases policies are on polio with spinal meningitis second.

While results of the survey are inconclusive, it was pointed out that about 12% of the claims filed occur within 15 days from the date of application. Presiding at the meeting was O. R. Leverett, vice-president of International Fidelity.

C. O. Pauley, managing director of H. & A. Underwriters Conference, described the work that his group is conducting. He recommended a co-insurance plan of coverage, noting that the insured would be more concerned with expenses if he would have to pay a part of it.

Life Woman A. & H. Speaker

Mrs. Laura Githens Smith, president of Women's Life Underwriters Assn. of Chicago, will speak March 28 at a dinner sponsored by the women's division of Chicago A. & H. Assn.

Mrs. Smith, formerly assistant sales manager of Maxwell Motor Co., at Chicago, for 11 years has been a producer for Northwestern National Life.

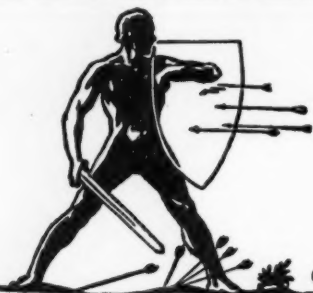
Seek to Stump Experts

A. & H. Underwriters Assn. of St. Louis at its meeting this week endeavored to "Stump the Experts", who were Oliver Siegmund, General American Life; Frank Philpott, Federal Life; Ralph Burnette, Mutual Benefit H. & A., and George Stevens, Travelers.

Carey Hartford President

HARTFORD—John H. Carey, Jr., general agent of Loyal Protective Life, is the new president of Hartford Assn. of A. & H. Underwriters. He succeeds J. Vincent Budds, General Accident.

Carl A. Buechner, National Casualty, is vice-president, and Wallace G. Payne, Century Indemnity, secretary. New executive board members are J. Arthur Cope, Joseph J. Guica, Louis Norman,



THE Invisible Armor of Comprehensive National Surety Protection!

Fidelity and Surety Bonds
Blanket Bonds
Liability Insurance
Workmen's Compensation
Inland Marine
Burglary

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J. L. Murray, Beecher Swaim and Mr. Budds. Samuel B. Reed, assistant secretary of the claim department of Connecticut General Life, explained the effect the new phraseology now being used in accident contracts has on the consideration and evaluation of claims.

Goldstein Heads Managers

Jacob Goldstein, manager of Unity Mutual Life & Accident, has been elected president of A. & H. Insurance Managers Club of San Francisco. Thomas S. Dixon, Massachusetts Indemnity, was named vice-president. A secretary will be appointed later.

Indiana Congress Postponed

Because of the difficulty in securing top-notch speakers for March 31, the date originally set, Indiana Assn. of A. & H. Underwriters has postponed its sales congress until some time late in April or early May.

Ohio UCD Hearing March 27

The Ohio disability unemployment insurance commission, which is studying the "need or lack of it" of cash sickness benefits in Ohio will hold its third meeting at Columbus March 27. This hearing will be devoted, it is announced, to an inquiry of various state departments as to the foreseeable effect that an enactment of any program of temporary disability legislation would have on such departments.

Jones Speaks at Boise

Wesley J. A. Jones, executive secretary of International Assn. of A. & H. Underwriters, spoke on the objectives and program of the International association at a joint meeting at Boise of the Life Underwriters Assn. there and Western Idaho Assn. of A. & H. Underwriters.

Youngstown Group Elects

John E. Harriman, Illinois Bankers Life, has been elected president of Mahoning Valley A. & H. Underwriters Assn., Youngstown, O. Charles E. Woodman is vice-president and Harold Lawler of Columbiana, O., secretary.

Supervise Hospital Services

TORONTO—A bill has been introduced in the Ontario legislature by Attorney-General Porter to bring all non-profit, prepaid hospital and medical service organizations under the supervision of the insurance department. No association will be allowed to furnish medical or hospital service on a prepayment basis unless registration is obtained under the insurance act. A copy of every contract or proposed contract must accompany every application for registration.

ASSOCIATIONS

New Des Moines Officers

DES MOINES—Marvin Plock, field assistant of Travelers, has been named secretary-treasurer of Des Moines Casualty & Surety Club, succeeding Darwin Schenck. U. S. F. & G., who has been transferred to Denver.

R. E. Chesbrough, American Surety, was named second vice-president, replacing Will S. Allen, formerly manager of Massachusetts Bonding, who is now operating a local agency.

Casualty Men Hear Cook

Casualty Underwriters Assn. of Chicago at its March luncheon meeting heard Warren Cook, director of hygiene and engineering research, Zurich, discuss the atomic bomb and its effect on casualty risks.

Stubbs Heads Hoosiers

Paul E. Stubbs, U.S.F. & G., has

been elected president of Indiana Casualty Adjusters Assn. E. A. Straith-Miller is first vice-president; E. G. Hilliard, second vice-president; M. E. Butler, secretary. The retiring president is William O'Neil of Lumbermen's Mutual Casualty.

J. C. Montgomery, treasurer of American, gave a talk on Regulation 30 at a luncheon meeting of Insurance Accountants Assn. of Philadelphia. He was introduced by A. L. MacLennan, president of the Philadelphia group.

PERSONALS

John J. Holmes, state auditor and ex-officio insurance commissioner of Montana since 1932, has filed a petition for nomination as Democratic candidate for Congress in the July 18 primaries. He will run in the eastern district. He will try again to beat Rep. W. A. D'Ewart. In his race for state auditor in 1948, he led the ticket with a total of 137,111 votes or 64,529 more than his Republican opponent.

Ferdinand W. Lafrentz, chairman of American Surety, will receive the honorary degree of doctor of commercial science at the 50th anniversary dinner of the New York University school of commerce on April 11.

Accident Report 92 Days Later Doesn't Forfeit the Protection of Auto Policy

Farmers Automobile of Los Angeles was overruled by the Idaho supreme court in denying liability for an auto B.I. judgment, against an insured for alleged want of timely written notice of the accident, the case being Leach, etc., vs. Farmer's Automobile.

George A. Davis, 16 year old son of the insured, was playing hide-and-seek in the streets of Fruitland, during the late evening of Dec. 12, 1946. He was driving without lights and struck and injured a nine-year old boy. The Davis boy and his companions did not stop, thinking they had merely hit a bump. They drove around the square and back to the place of impact, but seeing nothing, went on their way. The next day George Davis was quizzed by his mother, who apparently feared he might have been involved in the accident. She concluded that he had not been to blame.

During the course of the investigations the boys told the police they had been driving with lights. In March, 1947, when suspicions were pointed at the Davis boy, his father reported that fact to Farmer's agent at Payette. The adjuster for Farmer's in his investigation, was told by the sheriff that the Davis boy was probably driving without lights.

In June, 1947, court actions were brought against the Davis family. Farmer's assumed charge of the defense, employed counsel and filed demurrers. In the meantime, however, Farmer's refused to proceed further except upon the execution of a non-waiver agreement and this was executed July 3. This recited that Farmer's denied liability because the accident was not reported to it until March 13, 1947. Then Farmer's continued its investigation and defense.

The supreme court said it appears that the insured gave oral notice immediately upon learning of the claim. This is "as soon as practicable" and a substantial compliance with the policy as to time. Farmer's, according to the court, was not prejudiced. It accepted the oral notice and acted upon it over a period of more than three months before demanding the non-waiver agreement. This was sufficient to lead the insured to believe no formal written notice would be required.

As to the untruthful statement of the driver, Farmer's had actual knowledge of the fact more than two months be-

fore the trial, and was put on notice in March that the untruthfulness of the statement was questioned. Moreover Farmer's does not plead this untruthful statement. It does not plead any prejudice to it arising out of either the want of written notice or the false statement. And there was no proof of prejudice, the court declared.

Hughes Bares Fangs

James W. Hughes, executive vice-president of Farmers Automobile of Los Angeles, in addressing a dinner

meeting of Special Libraries Assn. at Los Angeles, urged insurance people to rise up against any effort to make the California insurance rate regulation legislation more stringent than it is. He condemned uniform rate regulation proposals. He said if uniformity is brought about, "the public will be at the mercy of selfish insurance trust and powerful monopolistic vested interests."

Gilbert D. Wenger, formerly in the insurance business in South Dakota, has joined his brother, Edward P. Wenger, in his agency at Salina, Kan.

Behind the Scenes With YOUR INSURANCE COMPANY

In every insurance company there is a vital activity called Claim Service. When accidents happen, it is Claim Service that takes over for the insured and follows through until the claims are paid. But, behind the scenes Claim Service often goes much further in caring for those who would otherwise suffer undue hardship.

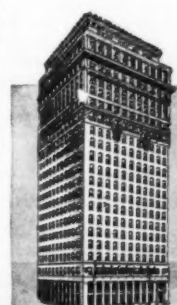
Johnny M— was a young worker — healthy, well-paid, with a fine family. Then suddenly — a fall, a steel rod piercing his body! He was taken into our field hospital, established on the job as part of American Surety Group's usual service when furnishing Workmen's Compensation Insurance on a large project.

Johnny needed top-flight specialists and the best hospital care. These were immediately provided. Then began a long period of costly treatments, and continuous, expensive care. Johnny never could have afforded this, but because we took care of the entire expense it didn't cost him a cent.

Today? Well, Johnny's completely recovered and doing a full day's work just as before. And everyone who knew about Johnny's serious injuries was pleasantly surprised by his unexpected recovery.

The case of Johnny M— is one of many in which American Surety Group's Claim Service reaches far beyond what most people believe insurance does for the injured. This Claim Service is a vital part of the insurance protection offered you through every one of our agents and insurance brokers.

One of a series appearing in general and business magazines pointing out the little-known free services which our Companies provide for their insureds.



AMERICAN SURETY GROUP

AMERICAN SURETY COMPANY
NEW YORK CASUALTY COMPANY
SURETY FIRE INSURANCE COMPANY

Casualty • Surety • Automobile • Inland Marine

100 Broadway, New York 5, N. Y.

Banker Advises on Contractor's Status

(CONTINUED FROM PAGE 24)

operating plan and get valuable general impressions as to whether it is orderly and well conceived. Orderly stock piles and good housekeeping are worth-while straws indicating the degree of overall efficiency. Proper regard for safety is another mark of good management. A well-run contracting operation will have the best provision for maintenance and repair of equipment. There should be a minimum of unproductive overhead and close liaison between the general office and job headquarters, shops and equipment yards. Some contractors in Chicago, he mentioned, have substantially reduced overhead and improved effi-

ciency by moving their offices out of the central part of the city and locating them on the same premises as the shops and material yards.

The general trend in cost and efficiency of labor and in price of material and supplies must be studied continually. Mr. Kiddoo noted on one hand that certain factors are holding prices down, or at least preventing or delaying increases. Materials and supplies and equipment of nearly every kind are now in adequate supply and competition for volume among suppliers should prevent any sizable increase in 1950.

Labor is also plentiful, although it seems possible that the large number of apartment buildings which will be started this year, financed through FHA title 608 may cause shortages in some localities in some of the skilled trades. Labor has improved substantially in efficiency since the war, but probably there is nearly as much improvement in that direction as there will be for the present.

Inflationary Influences

On the other hand there are inflationary influences. The increase in wages to coal miners sets the course for other union leaders to follow and Mr. Kiddoo predicted that there will be continuing pressure for more increases in hourly rates and particularly in bonuses and fringe benefits.

While bankers urge contractors to base their bids only after careful estimate of all costs with a reasonable margin for contingencies and profits, yet as a practical matter it must be recognized that bidding is always influenced by competition, and at present that is very intense.

Mr. Kiddoo stated that the annual report of Associated General Contractors of America terms present day competition as "suicidal," adding that it may result in the failure of some general contractors. At the same time, this competition, he said, to some extent may help the general building contractor who sublets a considerable amount of his work, because competition is keen in the sub-trades also.

Mr. Kiddoo remarked that the reason for such highly competitive bidding is a little puzzling, since 1949 marked a year of record-breaking new construction, and perhaps 1950 will show an even higher mark.

Many contractors have greatly increased their financial resources and enlarged their organizations during the profitable war and post-war years, and are now trying to get enough work to carry along these enlarged organizations. Mr. Kiddoo said that the surety

men can do many of their customers a service by suggesting that they trim out the dead wood, cut down overhead and non-productive expense and plan on doing a smaller volume of business, but with reasonable profits, instead of continuing cut-throat bidding which will surely mean failure for some.

Uncompleted Work Important

When the contractor has produced a good statement, shows an experienced organization and proven ability, the last item to investigate is how much uncompleted work he has on hand. It is necessary to get a schedule of jobs showing the original amount, amount completed, cost of work done to date and the resulting loss or gain on it, and the amount remaining to be done and the probable completion date. The rule of thumb is that the amount of completed work should not exceed 10 times the contractor's working capital, but Mr. Kiddoo said that this is an unstable standard. He said that sometimes he has been encouraged to approve taking on additional work even though uncompleted work was more than 10 times working capital if the uncompleted work was so far along that its completion would add substantially to the contractor's financial responsibility.

How Much Is It Safe to Take?

The extent to which uncompleted work ties up equipment and personnel also largely determines how much more work it is safe to take. If a contractor in the heavy engineering field has the equipment and key personnel for a dirt-moving job, Mr. Kiddoo said he would be inclined to give him the green light in bidding on such work, even though he might have a considerable amount of unfinished but apparently profitable work.

Use Case Histories to Help Combat Bank Losses

The National Assn. of Bank Auditors and Comptrollers has inaugurated a fraud prevention bulletin service to each member bank. The first release contained six actual defalcation cases together with detailed controls that would have prevented these specific embezzlements. The bulletins are marked confidential and members have been urged to keep them under lock and key.

The bulletins are made possible through cooperation of Surety Assn. of America, which reports case histories with no mention of names or other identifying data to the comptrollers' committee on auditing methods and procedures. This committee is headed by D. J. MacDonald, assistant auditor of Northern Trust Co., Chicago. The committee makes a thorough study of each case and outlines the preventive system.

Garage Liability Question Decided

Tennessee court of appeals has given a decision against Tennessee Odin under a garage liability policy for a verdict against the president of the assured ensuing from an accident caused while the president was driving the car of a customer, in company with the latter, on a trip. The case was Monroe County Motor Co. vs Tennessee Odin.

The assured company is located at Sweetwater. Charles B. Randolph, Jr., was the president. In January of 1944 he agreed to accompany L. A. Wood, president of L. A. Wood Co., of Sweetwater, on a trip to the Wood company's barytes mines at Cartersville, Ga., and help with the driving because Mr. Wood had a leg injury. The L. A. Wood Co. was the biggest customer of Monroe County Motor.

Near Dalton, Ga., while Mr. Randolph was at the wheel, they struck and injured a bicyclist. The latter got a judgment totaling \$8,500 against L. A. Wood Co., and Randolph, Mr. Wood personally being exonerated. It so happened that Tennessee Odin was also the insurer of L. A. Wood Co., in the amount of \$5,000 in respect of this accident, and it paid that amount, but denied liability under the garage liability policy for the balance of \$3,500.

Contention of Insurer

The main contention of the insurer was that Randolph in the damage suit testified he went along on the trip as a matter of courtesy to Mr. Wood whereas in the case against Tennessee Odin he testified he made the trip in the interest of Monroe County Motor Co.

The court declared that Randolph from the beginning maintained that any liability on his part was covered by the garage policy.

There is, the court said, no such inconsistency between Randolph's testimony in the two suits as is contemplated by the doctrine of estoppel. His testimony to the effect that in making the trip it was his purpose to service the Georgia accounts of the garage does not exclude the idea that he was at the same time accommodating the president of Monroe County Motor's biggest customer.

Anchor Agency Additions

James F. Devereaux has joined the Anchor agency of Chicago as manager of the casualty underwriting department. He has been at the home office of Anchor Casualty since 1937, except for army service, and has been in charge of the compensation and public liability departments.

Also from the home office of Anchor Casualty comes Mabel Lindgren to take charge of the accounting department. She has been with Anchor Casualty in charge of the accounting department at the home office.

Kenneth M. Hough, vice-president of the Anchor agency of Chicago, has been elected a director of that firm in place of R. B. Angell, treasurer of Anchor Casualty.

Learn About Plan D for \$7.50

H. J. Galt of National Bureau of Casualty Underwriters is going to give a series of four lectures on Plan D at Insurance Society of Philadelphia, April 13, 20, 27 and May 4. The charge for the series is \$7.50.

George H. Moloney, Hartford Accident, has been named chairman of the nominating committee for the annual meeting of Insurance Federation of Illinois April 28.

Oakland Assn. of Insurance Agents will hold its annual outing and golf tournament at Mt. Diablo country club May 25. Roger Hooper is general chairman.

Always an
Agency Company

STOREKEEPERS?



Check
with the

**SHELBY
MUTUAL**

The average merchant is well served by the "package" of protection you can sell him in a Storekeepers Liability policy. But in some cases Comprehensive Liability is really needed. "Shelby" agents get the facts before they make recommendations.

The Shelby Mutual Casualty Co.
of Shelby, Ohio

70th
Anniversary Year

One knot
is best for your
automobile
tie-up

Anchor's AR "All-in-One" Policy covers Bodily Injury, Property Damage, Medical Payments, Comprehensive, and Collision—everything your client needs... it's your answer to increased earnings!

...Anchor's "all-in-one" policy has a unique deductible provision!

Is full coverage collision expensive? "Knot so," says Bos'n Dan. Anchor's "All-in-One" policy has a unique deductible provision! A deductible feature which can automatically become a full coverage contract.

COMPETITIVE? Ask Bos'n Dan who knows his ropes.

He says, "It ties your clients down." Ask the agent or broker who knows his business. He'll tell you it takes an Anchor "All-in-One" Automobile policy * to hold the continued interest of buyers.

He says, "If you show him the ropes." Here is a cumulative form, surcharge \$1.00 regular rates for \$25, \$50, or \$100, which automatically becomes a full coverage collision contract once the assured uses up his deductible amount in one or more accidents. Our cumulative provision is for the term of the contract rather than a deductible for each individual accident.

He says, "He'll string along with you." Anchor's "All-in-One" Comprehensive policy ties up your policyholders tightly... they are exclusively yours.

*Written in all States where approved.

SEE YOUR ANCHOR MAN FOR COMPLETE DETAILS OR WRITE

ANCHOR CASUALTY COMPANY

SAINT PAUL 4, MINNESOTA



Search for Facts, "Ad" Men Advised

(CONTINUED FROM PAGE 2)

berent interest, Mr. Lang says insurance has a definite advantage over many other products or services for sale.

In copy, worry-creating approaches get low readership scores. Those offering the promise of a laugh or a good story or a good cartoon rank higher. When pre-testing copy it is essential that the pre-testing be done with the right people, those to whom the advertisement is to be directed and whose opinion it is sought to influence. Entirely too much of the factual research is done without common sense consideration of the exact job the advertising is to do and the exact group where the job is to be done. Mr. Lang warned that there are mountebanks in the survey research field and that good research technique calls for a very close understanding of the business affected and painstaking consideration of each question asked and the kind of person of whom it is asked.

Advertisements in any magazine read in anything like equal proportions by men and women will be noted by a greater proportion of the women.

Where a company's advertisements have appeared in the same paper with anything like relatively the same readership position, it is not too difficult for a company to determine from surveys how its own advertising stands up against the advertising of competitors. It is also possible to determine what kinds of heads pull and what kinds of material most people read an ad and think about it. However, Mr. Lang warned that single tests are far from conclusive and that much evidence must frequently be gathered to warrant valid conclusions.

Charlotte Montgomery who writes "The Woman's Viewpoint" page in the advertising paper, Tide, said that women's minds are filled with tangibles that are needed or wanted for her home, her children and her husband.

Based on this analysis of women's approach to buying, Mrs. Montgomery would link up the sale of insurance to a woman's pride in ownership and care of the tangible items of her home.

Ernest Schmatola, purchasing agent and head of estimating department of Publishers Printing Co., gave the "how" talk on happy and economical ways to buy printing.

Dwight P. Ely, production manager of Ohio Farmers, president, and Alfred E. Duncan, Jr., sales development manager of Fire Association, presided at the sessions.

Kill N. Y. Bills

The New York bill to double liability limits for taxicabs was defeated. Cab operators opposed it. The department and insurance committee supported the bill. The bill to establish a fund to pay unsatisfied auto accident judgments appears to be dead this session. Every three years 50 cents would have been collected on drivers licenses to build the fund.

Get Set for "I" Day on S.I.

The program for Staten Island Insurance Day April 19 in conjunction with the annual meeting of Suburban New York Insurance Agents Assn. includes a discussion of disability benefits by F. T. Corby, Home Indemnity, and Joseph A. Neumann, Jamaica, vice-president of New York State Assn. of Insurance Agents. Charles P. Butler, N.A.I.A. executive vice-president, will speak at the dinner.

Other speakers are Roy Duffus, president, and Russell M. L. Carson, national councillor of the state association, F. W. Doremus, manager of Eastern Underwriters Assn., William J. Heinrich, assistant secretary of National

Southern Agents Hold Regional Meet

(CONTINUED FROM PAGE 1)

a unified and important factor and offer a voice in the solution of industry problems. He mentioned that the association is currently working intensively on a matter of installment premiums, commissions, and the self-insurance transactions of Commodity Credit Corp. It is seeking to find ways and means of bringing about a broader and better market for long haul trucking, and to develop a comprehensive householders' policy.

A panel session on the Louisiana fire policy form drew a good crowd. The case for the state using the policy was presented by Gibson Stevenson, Houma, chairman of the Louisiana association committee on rates, rules and forms, from the agents' standpoint, and by William S. Bizzell, manager Louisiana Rating Bureau, from the bureau's standpoint. W. W. Sampson, manager South Eastern Underwriters Assn., argued against the form and outlined legal obstacles to its adoption. John L. Ebaugh, Jr., Birmingham, chairman of the Alabama association conference committee, opposed Mr. Sampson's stand, and on being pressed, Mr. Sampson admitted that the Louisiana form will be in use shortly in Mississippi and Alabama, and probably will be adopted in Florida, Georgia and South Carolina. Virginia and North Carolina, while not in S.E.U.A. territory, had representatives on hand who obtained copies of the Louisiana form to take back to their members.

Morning sessions only were conducted on the second and third day. Talks on selling were given on the second morning. Francis W. Potter, field supervisor of Aetna Casualty, made an excellent low-pressure talk on "Give the Customer a Chance to Vote." Julius G. Berry, Tupelo, Miss., demonstrated the souvenirs and gadgets distributed by his agency, which run all the way from unusual key chains to bibs for babies and live ducks. Frank E. Kinzer, Covington, president of the Virginia association, led a panel on answering sales objections.

An unexpected guest on the program was Commissioner J. Edwin Larson of Florida, who had not expected to be

Bureau of Casualty Underwriters, and John P. Madigan, assistant manager at New York for Maryland Casualty.

Escott Hearing Put Off

The Massachusetts department has postponed until May 24 the hearing scheduled for March 24 on the Escott plan for rating multiple location risks.

James Walnum in New Post

SAN FRANCISCO—James Walnum has been appointed special representative of the newly-organized Watson Surplus Lines Agency to cover the San Francisco Bay area. He was formerly with Newhouse & Sayre.

Big Mich. Loss Again

Loss to contents may run about \$400,000 in a fire in a warehouse of Motor City Products Co. at Hamtramck, Mich. There was \$750,000 insurance.

Reinsurance Underwriters has acquired the California business of the D. K. MacDonald & Co. agency. The latter has been operating as surplus line brokers in California since 1946.

Charles W. Smith, veteran inspector of Kansas Inspection Bureau, who underwent major surgery at St. Luke's Hospital, Kansas City, in February, is recuperating at his home at Stockton, Kan., and expects to return to his territory shortly.

available when the speakers' list was made up.

Mr. Larson reviewed the history of installment payment plans, and went over in detail the situation in Florida where the matter has been thrown into the courts for a decision.

While Mr. Larson's talk did not throw any new light on the situation, it did serve to get the agents fully acquainted with the particulars and the points at issue of both the company and the producers' standpoints.

E. H. Luecke, Fidelity & Casualty, started the second morning meeting with a talk on "Sales Opportunities in

Multiple Line Underwriting." He stressed the value of selling accounts rather than policies as a phase of multiple line underwriting.

Closing speaker was Walter S. Attridge, president of the Boston Board, whose subject was "Relationship of Commissions and Agency Expense."

The public, Mr. Attridge maintained, is not being told that a substantial share of what is labeled "acquisition cost" is spent to provide services valuable to the insured which would not otherwise be provided but for the fact that the present rate of compensation enables the agent to do so. These are the very



NO LEFT-HANDED CHECKBOOKS - BUT...

Recognizing and meeting the needs of policyholders—however specialized they may be—has always been a practice of the Zurich-American Companies.

For example, Zurich has pioneered in retrospective rating, in personal liability, in automobile medical payments, and in group medical expense insurance—and has always been a firm believer that coverage should be designed to avoid gaps that may later prove embarrassing and costly.

Ask a Zurich-American Field Man...

...how this forward-looking program can benefit you. He will gladly consult with you regarding tailored protection that will mean satisfaction and security to your policyholders and bring renewals and new business to you.

ZURICH-AMERICAN

INSURANCE COMPANIES



- Zurich General Accident and Liability Insurance Company, Ltd.
- American Guarantee and Liability Insurance Company

Head Office

135 SOUTH LA SALLE STREET

CHICAGO 3, ILLINOIS

services which the public is demanding, and is willing to pay for, he added.

Mr. Attridge recommended that the National association committee on commissions give serious consideration to the creation of a standardized compensation clause for agency contracts consisting of three sections providing for: (1) a rate of commission for selling insurance; (2) a rate of compensation for agency services, and (3) a protective clause enabling the agent to receive as a selling expense a rate of commission as high as the average paid by the company he represents.

He further recommended that steps be taken to encourage in uniform accounting laws adequate reporting provisions so that all filings would call for breaking down of agent's allowances in the same manner as outlined in the compensation clause of the agency contract. In that way, the figure paid as commission, and which is open to the public view, would be so small that it would never provide or give opportunity to the politically-minded individual to abuse the business or attack agent's income.

Agents who apologize for the amount of commission they receive, Mr. Attridge declared, are the agents offering the least service. It is a weakness of the business, however, that the public at large has difficulty in distinguishing between the competent and incompetent agents.

There is no need for the agent to apologize for his commission when that commission includes an allowance for service that carries through the life of the policy, he said.

Has Low Operating Margin

Compared with mark-ups in other lines of business, insurance has a lower operating margin than most, and at the same time the agent's commission is not fully earned when the sale is made. The agent gets no further compensation when he transfers a household furniture policy, and on the contrary sometimes has to pay return premiums and return commissions while providing continued service.

The labeling of all the agent receives as commission Mr. Attridge characterized as a weakness of the business. The public is going to regard it as purely sales commission and overlook that a substantial portion of it is paid out for the many agency services through which the public benefits. That portion of a dollar which the agent receives for servicing items and which are in the public interest should be so labeled. Agents are entitled to have that protection and the public is entitled to have that information, he said.

Only one invitation has been received so far for next year's meeting, that being from Hollywood, Fla. The matter was placed in the hands of a committee of which Frank E. Kinzer is chairman.

Committees appointed by the conference and their chairmen are: Resolutions, W. O. Thomas, Birmingham, Ala.; auto dealers as agents, Linwood Ford, Richmond, Va.; revision of agency contracts, Joseph M. Sambrough, Atlanta; and negotiations, John Ebaugh, Jr., Birmingham.

Bond Hearing Postponed

WASHINGTON — The House expenditures committee is postponing its meeting scheduled for March 24 on legislation relating to surety bonding of government employees, to allow more time for gathering additional information from government departments and agencies concerned and for conference between government representatives and surety people.

Harry Harper, committee attache, said government departments and agencies were asked for data on the minimum number of bonds each of them could get along with. Not all replies had yet been received, he said. When they are in, he said government and industry people would confer, but he did not know when that would be.

Olson Reelected by Surety Bond Group

(CONTINUED FROM PAGE 23)

ments and related factors, he said.

It is the contract bond that accounts for the wide fluctuations in premium income of surety companies over the business cycle. Premium income from all bonds, other than contract, records only moderate changes during periods of declining economic activity. There has been a close relationship between the volume of contract bond premiums and total construction activity. He also pointed to the trend of rates which declined 30% 1936 to 1948 whereas other surety bonds were substantially unchanged and wholesale prices doubled and retail prices rose more than 70%.

In 1947 he said there was about one claim to every 300 surety bonds of all kinds. Contract bonds ranged from about one claim to every 125 bonds. Fidelity & Deposit reported one in 80 for the five-year period 1943-47. Long term experience on American Surety, however, indicates that in 1947 claim frequency was only about one-third of long term experience.

William Parker, Boston architect and consultant on public works programming, said there was a marked difference in 1914 between private and public contracts, and the architect was conscious of it. In public work there was open competitive bidding while in private work the architect and owner agreed on a limited list of selected contractors from whom bids would be invited. The owner was under no duress to accept the lowest bid.

The architect issued certificates for payment and was in a position to see that the contractor was not overpaid, and the 15% retained was available to protect the client in the event of trouble on the job due to defective work or default. No great need was felt by the individual owner or his architect, said Mr. Parker, to buy protection from a surety company, although bonds were freely bought to protect funds administered by committees or trustees.

Architects Develop Standard Form

The architects sought to improve conditions, Mr. Parker continued, by developing a standard form of bond which created a sort of partnership between the surety and the contractor. The Surety Assn. has adopted the idea that

the surety should protect the owner against loss and against the need of extra financing in case of a default, the surety agreeing to step in and take over full responsibility or after securing bids for completing the work to pay to the owner any excess needed over the amount still retained. That is the most potent development for the cultivation of interest on the part of private individuals and their architects.

Developments since 1914 have very greatly improved the bonding procedure and should tend, in some degree, to increase the architects' interest in it for the protection of his private clients, Mr. Parker declared.

He is in accord with the attitude that has developed among the sureties as indicated in the two new forms for private building. This should help to give the architect a greater interest in the use of surety bonds for his private clients.

Conferences and discussions on Tuesday afternoon dealt with the subjects of "Foreign State Countersignature" and "The Credit Man in the Surety Picture."

Mr. Lucy asked Mr. Walker if he thought the American Institute of Architects, the Society of Civil Engineers and Assn. of Casualty & Surety Companies might do something about bringing up to date the material on corporate suretyship now being taught in colleges. Mr. Walker said he thought so, but Assn. of Collegiate Schools was the place to start.

One of those attending who has been on hand for every convention was Mrs. Wm. H. Moore, formerly Mrs. Elma M. Colver, of the Cook & Colver agency, Wichita.

Martin Lewis Is Prophet

Martin W. Lewis, general manager Surety Assn. of America, tentatively blueprinted what the business can reasonably anticipate in the next half century. These trends, he said, are now being shaped up so strongly it is possible to foretell generally how they might affect the business, and they are a probable index of what the near future holds.

The mercantile, fidelity, financial institution, fiduciary, public official, and

miscellaneous surety bond fields are open to expansion, either through more widespread production of business where there is presently no coverage, or more adequate coverage, as in the financial institution field. The construction contract bond field, however, offers problems peculiar to itself.

Construction volume is rising faster than is national income and it seems reasonable to expect that construction will run about \$20 billion a year through the next 10 years. Compared to its role in the 1920s the federal government is a giant in the construction business and instead of about \$200 million in the days of Harding and Coolidge, the federal construction budget is now running at the rate of about \$3 billion annually, and it is increasing.

In the next 10 years home building will call for more than \$60 billion while the annual totals for commercial construction, industrial construction, public utilities and public construction will reach impressive figures. This construction volume will be borne by an industry that is second only to agriculture in size, and first as a source of capital investment.

A trend of importance affecting construction, he added, is the increasing competition within the construction industry itself. Contractors have been cutting expenses to the bone to achieve peak efficiency, they have taken on a greater volume of work in order to keep their organizations busy and intact, and the overall result has been more favorable prices to public agencies and private groups awarding contracts, although the normal effects of such keen competition are felt within the industry. Construction contract bonds, at the same time, are furnishing essential facilities to support the expanding construction program and make it less hazardous in a highly competitive period.

84% More Contractors in 1949

While the dollar volume of construction may increase, the physical volume need not increase. In 1949, despite an all time high in dollar volume of construction, there was not as much physical volume as in 1939. Studies show that correlating the relationship between physical volume and the number of contractors, there were for the same physical unit of construction 84% more contractors available in 1949 than there were in 1939.

Inland, Ocean Marine Premiums and Losses for 1949

	Inland Marine		Ocean Marine			Inland Marine		Ocean Marine	
	Net	Paid	Net	Paid		Net	Paid	Net	Paid
	Premiums	Losses	Premiums	Losses		Premiums	Losses	Premiums	Losses
Alliance Assur.	449,382	203,904	1,331,151	647,122	Northeastern	176,491	85,120	600,396	414,960
Am. Central	666,290	297,811	.....	.....	Northern Assur.	1,059,336	438,855	274,548	163,206
Am. Eagle Fire	1,484,650	550,734	1,222,929	674,461	Northern, N. Y.	409,068	96,008	.....	.....
Am. Fidelity Fire	—1,314	7,798	.....	.....	North Star Re.	447,611	223,567	233,875	100,172
Am. Home	113,200	42,507	.....	.....	Northwestern Nat'l..	602,699	174,421	313,009	140,646
Assur. of America	21,358	4,798	.....	.....	Ocean Marine	21,120	25,460	631,712	368,988
Automobile, Conn.	7,856,578	2,653,417	3,425,713	2,149,164	Ohio Farmers	152,037	47,710	.....	.....
Baliose Marine	196,968	73,080	1,039,329	509,943	Orient	124,423	54,872	.....	.....
British & Foreign	97,506	43,582	.....	.....	Pacific National	694,910	318,682	353,158	185,953
British General	69,678	33,176	49,650	35,204	Palatine	227,513	101,691	.....	.....
Buffalo	140,494	109,108	130,508	55,130	Pennsylvania Fire	675,076	330,150	477,487	266,950
Caledonian	28,098	21,821	.....	.....	Philadelphia F. & M.	1,721,441	689,525	670,831	325,050
Columbia, N. Y.	109,486	48,083	124,401	43,167	Philadelphia Nat'l..	166,912	69,108	60,566	27,629
Commerce, N. Y.	495,564	190,581	540,378	244,592	Phoenix Assur.	291,341	130,272	543,151	192,866
Conn. Union Assur.	1,512,468	551,479	1,457,414	478,129	Planet	271,325	80,510	3,018	.....
Conn. Union Fire	325,019	145,273	.....	.....	Quaker City F. & M.	81,970	28,791	385,514	156,200
Commonwealth	312,115	152,100	236,743	133,646	Reins. Corp.	682,889	154,950	179,435	44,171
Continental	4,441,466	1,576,048	3,094,031	1,617,474	Reliance	267,059	110,573	96,906	198,237
Dearborn Nat'l Fire	11,015	2,936	.....	.....	Reliance Marine	9,790	2,173	394,585	158,237
Employer's Fire	1,338,770	517,931	.....	.....	Resolute	25,609	364	.....	.....
Excelsior	12,243	2,448	.....	.....	Rhode Island	52,746	62,096	191,909	189,444
Fidelity Phenix	3,979,017	1,407,808	2,032,057	1,592,884	Safeguard, N. Y.	51,843	22,863	.....	.....
Fire Assn. Phila.	2,503,680	1,036,624	1,063,267	577,003	St. Paul F. & M.	5,980,893	2,580,234	4,398,370	2,342,393
French Un. & Univ.	296	455	.....	.....	Seaboard F. & M.	208,176	89,376	243,703	162,790
Glens Falls	2,808,195	1,079,960	3,062,142	1,386,024	Secured F. & M.	29,115	6,657	.....	.....
Globe & Rutgers	171,305	67,088	762,039	383,937	Security Fire	12,486	6,191	.....	.....
Homeland, N. Y.	157,231	77,824	322,032	97,174	Security National ..	18,906	5,923	.....	.....
Home, Hawaii	—17	.....	.....	.....	South British	2,705	1	32,793	2,862
Imperial	125,760	59,358	124,717	42,432	Standard Fire	1,122,222	379,098	.....	.....
Kansas City F. & M.	325,333	161,808	.....	.....	Standard Marine	1,389,627	809,929	1,815,400	774,021
Law Union & Rock	41,474	18,290	.....	.....	State of Pa.	516,433	250,488	.....	.....
London & Lanc.	167,000	86,881	136,445	82,076	Switzerland General	524,379	149,850	919,669	368,622
London & Scottish	100,113	17,397	.....	.....	Texas United Lloyds ..	28,179	13,323	.....	.....
Lumbermen's	409,588	165,879	145,356	72,297	Thames & Mersey ..	102,939	36,214	741,556	394,741
Maritime	3,453	1,073	462,800	201,077	Union Assur.	227,514	101,691	.....	.....
Mercantile	312,115	154,454	238,743	133,646	Union Mar. & Gen.	167,153	66,174	709,295	285,772
Mercury	903,577	444,549	.....	.....	Union of Canton	592,730	295,162	1,810,135	881,349
Metropolitan Fire	193,123	72,460	206,371	115,826	Un. & Phenix Espa.	906	1,527	.....	.....
National Am. Fire	72,159	47,327	.....	.....	United Firemen's	126,083	59,358	124,098	42,432
National Re.	36,884	141,900	.....	.....	Unity Fire	34,505	18,519	.....	.....
Netherlands	56,197	43,643	280,064	120,218	Urbaine Fire	416	480	.....	.....
New Hampshire	608,555	320,563	866,827	438,427	Utah Home	288,253	143,846	359,916	294,381
New Zealand	765,379	78,960	147,871	137,371	Virginia F. & M.	193,232	13,825	.....	.....
No. British & Merc.	626,947	332,580	630,106	362,637	Yorkshire	2,921	14,801	.....	.....

INSURANCE NEWS BY SECTIONS

MIDDLE WEST

Field Men to Conduct 4 Hail Panels in Minnesota

MINNEAPOLIS—Four hail panel meetings will be put on in southern and western Minnesota by a group of field men, in cooperation with regional agents associations. The first will be March 27 at Hutchinson for the Central regional; March 28 at Worthington for the Southwestern regional; March 29 at Montevideo for the West Central regional and March 30 at Fergus Falls for the Park regional.

The field men taking part are Coy Cochran, Home, chairman; J. M. Nearhood, St. Paul Fire & Marine; Herb Clough, America Fore; Clark Jestin, Great American; George Hansen, Rain & Hail Insurance Bureau, and L. A. Rutherford, Fireman's Fund.

Flint Assn. Honors Employees

Flint Assn. of Insurance Agents conducted an employee recognition meeting. Framed certificates were issued to employees with varying lengths of service. Mrs. Sarah Morrish of the R. A. Gillespie agency, received a 40-year award. W. O. Hildebrand, secretary-manager of the Michigan association, talked on "The Girl in the Insurance Office." E. Stanley James of the Flint agency, president of the Flint association, was in charge of the meeting.

Krier Starts Sixth Year

MILWAUKEE—Urban Krier, executive secretary of Wisconsin Assn. of Insurance Agents, is entering his sixth year, having been appointed in March, 1945. He had been district supervisor of U. S. F. & G. in Wisconsin and upper Michigan for 11 years and previously for six years in the claim department. For two years after graduating from Marquette he was an adjuster for Globe Indemnity.

Since Mr. Krier took over, the Wisconsin association has grown from 176 agency members to 1,400, and has gained sixth place in N.A.I.A. From 10 local boards in Wisconsin, the number has grown to 40. Extensive educational, accident and fire prevention and legislative programs have been developed.

Covering Farm Elevators

LINCOLN, NEB. — Farmers Mutual of Nebraska reports that it is being forced into covering farm elevators now that grain storage is moving from the terminal elevator to the rural community. It says that farmers are building large elevators for storing, handling, drying, grinding and marketing grain.

New Ohio Local Board

A new local board has been formed that covers the counties of Lake and Geauga, which lie just east of Cleveland. The name is Lake & Geauga Counties Assn. of Insurance Agents. At the organization meeting at Painesville, Harry Ohm of Willoughby was elected president; Mr. Canfield of Chardon is vice-president and Jack Hemphill, Painesville, is secretary. About a dozen turned out for the organization meeting despite inclement weather. A second meeting was held March 15.

Region 7 Women Meet

Miss Emily Casford, Wichita, was named director of Region 7 of National Assn. of Insurance Women at its annual convention at Lincoln.

Acting Mayor Pansing welcomed the group. Speakers were Frank E. Court, pastor of St. Paul Methodist church;

Dr. Karl M. Arndt and Kady B. Faulkner, University of Nebraska; Charles Sayre and John Dudgeon, both of Lincoln; and Gordon Church and Alexander McDonough, both of Omaha.

Minnis Newton President

Darwin Minnis of the Regier agency has been named president of the Newton (Kan.) Insurance Board, succeeding Pat Hogan, Central Securities. B. R. Brittain of the B. H. Northcott, Jr., agency, was advanced from secretary to vice-president and is succeeded by Frank Little, Newton Finance & Investment Co.

Reports on the recent renewal of the city and county insurance were given by Mr. Brittain.

Ernest Woelzel, Jr., Hutchinson local agent, has been named to the 11-man Kansas "Little Hoover Commission" by Governor Carlson.

Charles M. Allen of the Glasco-Allen Agency, Wichita, was elected president of Kansas Savings & Loan League at its annual meeting at Wichita.

Harold C. Watson, vice-president of Baerwald, Hoffman & Co. agency, Milwaukee, discussed "Coinurance vs. Straight Insurance" at a luncheon meeting of Milwaukee Board of Realtors.

More than 40 women office employees attended a week long institute course sponsored by Michigan Assn. of Insurance Agents at Michigan State College. The next institute will be for beginners in the insurance business, April 2-8, followed by a qualifying examination conducted by the department.

Insurance Women's Club of Detroit has reelected Beulah Knorr as president, with Julia Pressler and Mary Bruce serving as first and second vice-presidents, respectively. Anne Wetherholt was elected secretary, and Sophia Travis was chosen treasurer. Installation was made by Mrs. Carrie Boldt Duckworth, first president. Miss Agnes Krick, a past president, spoke on her recent tour to Europe and England.

A. L. Hanson, before 38 months of war service a Chicago broker and more recently with the Wahler agency at Beloit, Wis., has been appointed manager of the Peet Brothers agency there.

SOUTH

Little Rock Society Finishes Course; Plans More Study

Insurance Society of Little Rock has completed its first course, "Introduction to Insurance", at which 75 persons were enrolled.

Discussion leaders were Walter Plangman, director Arkansas Inspection & Rating Bureau; Claude Hoskinson, manager casualty department L. B. Leigh & Co. agency; Henry A. Ritgerod, L. V. Martin & Co. agency, and Arthur L. Parker, state agent America Fore.

The society now plans to offer the N.A.I.A. course in fire and allied lines. Among the instructors will be W. R. Smith, W. R. Smith & Co. agency, and Frank Wait, assistant general agent, Shepherd & Co.

Region 6 Women Meet

Mrs. Nettie Lee Owens, Oklahoma City, was elected regional director at the Region 6 meeting of National Assn. of Insurance Women at Little Rock.

Commissioner Graves welcomed the delegates. A. Walton Litz, vice-president Union Life of Arkansas, also spoke.

Membership Drive in Va.

Virginia Assn. of Insurance Agents on March 1 began an intensive membership campaign under the direction of J. Powell Watson, Jr., Norfolk, chair-

man of the membership committee.

At the beginning of the campaign, 460 agencies were members of the Virginia association. During the first 12 days, 13 new members were added. Through a review of licensing records in the insurance department, a list of 228 eligible non-members was prepared and is brought up to date monthly. Separate prospect cards for each eligible non-member are sent to the membership committee.

Heads Big Memphis Agency

Richard G. Holliday, formerly vice-president, has been elected president of Marx & Bendorff, Memphis local agency. He succeeds the late Charles J. Haase, who died Feb. 12 after having headed the agency for more than 30 years.

Women Meet at Nashville

Region 2 of National Assn. of Insurance Women held its annual meeting at Nashville. Miss Edna Mae Gay of Nashville, director for the region, presided. Speakers included George L. Goss, executive secretary Tennessee Assn. of Insurance Agents, and Leon McGilton, special agent of American.

COAST

Hoyt Joins Agency; Wash. Bureau Transfers De Lorenzo

Robert A. DeLorenzo, formerly with Washington Surveying & Rating Bureau at Seattle, has been transferred to Tacoma as manager there succeeding J. B. Hoyt who has resigned.

Mr. Hoyt has joined the Stuart G. Thompson-Elwell Co. agency of Seattle and will be its Tacoma manager succeeding E. A. Greenwood, who has been appointed manager of the agency's service office at Yakima which is to be opened April 1.

Spencer Talks on Lloyds

LOS ANGELES—John A. Spencer, manager of the Lloyds department of Sweet & Crawford, spoke before Insurance Forum of Los Angeles on Lloyds coverages, the need for such a market and the significance of the recent British elections as they affect underwriting by London Lloyds. He pointed out the importance of this phase of our trade relations with England in helping to restore a more equitable balance of trade.

Lowery San Diego Manager

Oran S. Lowery, an examiner in the survey department at Los Angeles of the Pacific Fire Rating Bureau, has been named manager at San Diego, effective April 1. He has been with the bureau at Los Angeles since 1947. He succeeds Laurance W. Johnson, who is joining the Percy H. Goodwin Co. agency at San Diego.

Women Meet at Berkeley

Insurance women from several western states and Hawaii attended the Region 8 meeting of National Assn. of Insurance Women at Berkeley, Cal. Gladys Main, president of the National association, and Mrs. Viola Larson, corresponding secretary, were present. Frances Gray, regional director from Los Angeles, presided.

California Directors Meet

More than 80 attended the mid-year meeting of the directors of California Assn. of Insurance Agents at Bakersfield.

H. E. Barnhart, president, reported that 1,380, more than half the total membership attended the regional meet-

ings held throughout the state.

Lorrin Carroll, chairman of the membership committee, reported that the membership is now 2,280, and that five new local associations are in the process of being organized. Other committee chairmen also reported.

WANT ADS

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Rates—\$12 per inch per insertion—1 inch minimum. Limit—40 words per inch. Deadline Tuesday noon in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance. THE NATIONAL UNDERWRITER

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Here is an excellent opportunity for an experienced Casualty Field Man acquainted with Iowa. Progressive old line stock Casualty Company desires active development of this territory. Your advancement commensurate with your production and administrative ability. Salary plus expenses; car furnished. Replies will be kept confidential.

Please give complete details about business and personal background, age, marital status and present salary. Address Z-20, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

Two experienced Casualty underwriters with highly successful records, particularly in General Liability and Workmen's Compensation lines. One to head up Casualty Underwriting Department being planned by a Fire Company and the other, the established Underwriting Department of a Casualty company branch office. Choice of New York or Middlewestern City. Ages 30-42. Salaries commensurate with ability and experience. Wonderful opportunities. Box C2, National Underwriter, 99 John St., New York 7, N. Y.

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Established Agency in Indiana College Town of 40,000 population has excellent opening for a salesman. Address Z-11, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

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Excellent opportunity with large multiple line company in the middle west. Must have home office experience. Address Z-13, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

WANTED

Solicitor by well established Illinois Agency. Straight salary. Preferences: College graduate, Inspection Bureau training, 25 to 35 years old. Address Z-15, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

Leading multiple-line company has opening for man with casualty and surety knowledge as special agent in southern territory. Position affords unusual opportunity for right man. Give experience, education and approximate salary in first letter. Our employees know of this advertisement. Address Z-16, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

Assistant Manager of Million Dollar Plus General Insurance Agency specializing in chain store and large commercial and manufacturing risks seeks a change. Former company branch manager with a wealth of knowledge and experience in every insurance line but especially in Casualty, Surety and Marine. Address Z-21, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

Multi-Unit Hearing Winds Up in N. Y.

(CONTINUED FROM PAGE 2)

in many states and the U. S. Supreme Court. The proceedings in this hearing present a question of Superintendent Dineen's compliance with legislative regulatory standards and not a question of meeting competition, which is the responsibility of management.

"MANIPULATION"

Mr. McCullough argued there are safeguards surrounding the plan as approved and that these safeguards distinguish the plan from earlier practices in multiple location business. He states that the plan establishes definite rules applicable to all risks eligible to rating under the plan and adds that it is a mechanical proposition not subject to manipulation in favor of one multiple location risk as against another. He said also that appellants make no serious claim the plan is discriminatory as between risks to which the plan applies.

This is not the position of appellants, Mr. Newton made clear. The plan is so rubbery in its requirements it is subject to manipulation by insured so that it operates to produce unfair discriminations not only between those that are eligible and those not eligible but also between those eligible. This is because the plan is not mandatory in any way as to use of it by either insurer or insured. Also, if insured has inventory at five or more locations and is otherwise eligible, the plan permits insured to decide how many locations to cover under the plan. If he has 600 locations, he may cover them all in one company and in one policy, under the plan.

No Limit on Location Value

However, he need not come under the plan at all, or he may divide his locations into separate groups so as to come under any one or virtually any combination of the created brackets under the plan. If insured does not have inventory at five or more locations but is otherwise eligible, he may place his inventory at enough additional locations to qualify him since the plan places no limit on value that must be maintained at any or at each location.

The plan provides no dimensional requirements of a location or no requirement as to length of time goods must be at a location to qualify.

The plan is, Mr. McCullough says, purely mechanical in its operation. "Well, so is a ventriloquist's dummy. But some people know how to manipulate that mechanical device in order to get the result which they want," Mr. Newton commented.

Individual Loss Experience

Eugene Clark of J. C. Penney & Co., Mr. Newton said, made a very eloquent plea in a previous hearing that chain stores be given discounts because of favorable loss experience. He illustrated this by the favorable experience of the Penney Co. Mr. Newton said appellants had shown in the present hearing that fires that occurred at a few locations within the next two or three months that knocked the favorable Penney loss experience into a cocked hat.

Under the law fire companies are entitled to a reasonable profit. When big staggering losses occur under the M.L. hybrid grouping, two things can be done with the experience, relate it back to its original National Board occupancy hazard classification, which would place the burden of it on insured of similar hazards who could not or did not get discounts under the plan, or leave it up in the air so that it must come out of the capital surplus of insurers.

The plan has not been shown by the department to be in the public interest to such an extent that sweeping price differentials in favor of the chain stores are warranted, Mr. Newton charged.

The plan grants rewards arbitrarily and largely nullifies all the painstaking work which has gone into the evaluating of the fire hazards of the risk. This, he said, destroys the incentive for fire prevention work. Discounts are granted based on number of locations and on loss experience ratios without any relationship whatever to fire prevention work. Thus it is directly opposed to the public interest. Insured who is negligent in fire prevention can obtain a big discount solely by reason of the M.L. feature of his operation; another insured in the same business with the same features of hazard who happens to have less than five locations cannot get that discount but must pay up to 53% more for the same fire coverage, though he is diligent and proficient in fire prevention.

TACKLES NINE ITEMS

Mr. McCullough listed nine items he claims to be disadvantages of the reporting form. These were as follows, as presented by Mr. Newton along with his rebuttal:

Mr. McCullough: Insured has to make a monthly report. Newton: Insured not entitled to the reporting form must change his policy monthly or oftener and with specific insurance this is much more difficult and expensive because of the short term premium adjustment.

McCullough: The term discount is not available to reporting form insured. Newton: Mercantile inventories except for sprinklered risks are not subject to the term rule under any circumstances.

McCullough: Full insurance to value is required. Newton: M.L. insured gets a 5% credit in his premium for insuring 100% of value.

McCullough: Full insurance to value is required as to each and every location. Newton: Value at any location may increase in the month and at month end return to its original figure. The premium is based on the month end value and not on the higher value that existed during the month. But if the loss occurred at the time the higher value was there, insured would have had full coverage. No advantage like that is available to the specific location insured.

Can't Get Blanket Cover

McCullough: Insured can't get a combined blanket coverage on building and contents under a reporting form. Newton: This is not a disadvantage or even an inconvenience. Building values don't fluctuate daily, inventory values do. Even under specific insurance, the general practice is to carry different policies on contents than on buildings. Also, the owner of the building often does not own the contents and vice versa.

McCullough: The broad form is not available on the reporting basis. Newton: It is not available to the ordinary risk anyway. To get it, the risk has to conform to rigidly specified standards, and only 166 risks in all of New York City conform to those standards, according to a department examiner.

McCullough: Reporting forms of cover are excess policies, applying only after specific and other insurance is exhausted. Newton: This confuses provisions of form 1 which provides for coverage of excess over the amount recoverable from specific with the usual excess of loss cover over and above a straight deductible. If the value at risk is \$200,000 and there is excess coverage over a deductible of \$50,000, under straight excess of loss coverage insured would not recover for any loss under \$50,000 but would recover only the loss in excess of that figure. Under form 1, given a value of \$200,000 with specific of \$50,000 and 100% coinsurance, if the loss is \$25,000, insured would recover \$50,000 over \$200,000 or \$6,250.

Form 1 would pay the balance of \$18,750.

Nonconcurrency Is Lessened

McCullough: The danger of nonconcurrency is somewhat heightened. Newton: It is lessened, if anything, since coverage is provided for the excess of the amount recoverable from specific insurance, whether concurrent or non-concurrent.

McCullough: The automatic pickup clause may give insured duplicate or excess cover he does not want. Newton: If he doesn't need and doesn't want it, under this plan he doesn't report it and doesn't pay for it. Also Mr. McCullough said the reporting form of contents coverage is not blanket. Insured does not have to state a limit separately for each location. He must state a limit for any location.

Mr. McCullough argued that reporting form contracts are different so that price may also differ without violating the Clayton act. Mr. Newton said the law provides there must be essentially the same hazards and expense elements and asked where in the so called disadvantages there is anything that reflects such differences.

Mr. McCullough stated that one safeguard is the present statistical plan under which premiums and losses on M.L. business are separated and reported to the Multiple Location Service Office. These statistics show whether the business is being written at loss ratio so high as to indicate inadequate premiums and thus unfair discrimination.

Plan Is One Way Street

Mr. Newton argued this overlooks the fact the plan is a one way street; risks may move in and out at will, taking advantage of the plan when discounts are available and avoiding it when surcharges must be applied. Consequently, the experience reported would include only that of risks eligible for the plan and benefiting from it and would include their experience only for periods in which they did benefit from it.

Also, merely reporting the experience of a given group of risks into one pool does not justify any sort of preferential rate treatment authorized for the group. That treatment must be related to demonstrable differences in hazard and expense or it is not legal under section 183 of the New York insurance law.

Statutory Standards for a Class

Contrary to Mr. McCullough's suggestion that there is no reason why a separate classification for M.L. business shouldn't be set up, with premium and loss statistics entirely separate from the existing National Board occupancy hazard classifications which this business cuts across, the statutory requirements for creation of classification for rate making is essentially the same hazards or expense elements or both.

Mr. McCullough said sprinklered risks cuts across, the statutory requirement but Mr. Newton argued that the very fact that a separate occupancy classification is created for sprinklered risks proves his point. The base for the creation of an occupancy class to make rates is grouping into a class of risks which have a common element of fire hazard. That is true of sprinklered risks. The fact that the owner of inventory happens to have it distributed among five or more locations has nothing to do with altering or changing the fire hazard represented by the inventory, compared with identical inventory owned by a competitor who happens to have it distributed among four or less locations. The M.L. risk can get out of the plan to avoid the effect of adverse class or individual account experience, whenever he wishes. By contrast, a sprinklered risk is bound by his class. To get out of it he has to remove the sprinklered equipment; to get into it he has to install expensive equipment. This difference points up the fact that M.L. grouping creates a hybrid and inherently unfair discriminatory group that does not meet the statu-

tory requirements for a class.

Since the plan permits moving in and out of it at will, the bad experience simply would be left high and dry for other insured to absorb or for insurers to meet out of surplus, which would impair their financial stability.

Statistics do not justify discrimination, Mr. Newton said, except as they show discrimination bases on differences between risks either in hazard or expense element, or both. Since differences between hazards are apparent, the only purpose of statistical experience would be to demonstrate differentials in expense elements. If any of these were available, presumably they would have been produced by the department at the hearing. They have not been.

Casualty Precedent Called Irrelevant

Mr. McCullough, Mr. Newton said, argued that if individual account experience is employed in plans for rating other perils, such as forgery, burglary, liability, etc., it constitutes a precedent for use in fire. Appellants contend that what is done in other fields is wholly irrelevant in fire, under the law. Here is a type of hazard that has entirely different characteristics. Appellants contend in fire individual account experience furnishes no credible basis for a special rate treatment. A contents insured risk with hundreds of locations can go along for years with a favorable loss ratio and then have a staggering fire loss at one location which will catapult the individual account loss ratio way above the 200% maximum surcharge which the plan purports to provide but which nobody will ever pay. The catastrophe element, peculiarly inherent in the fire hazard, completely destroys credibility of individual contents account experience.

Congressional Concern

Mr. Newton said appellants had called attention to the concern expressed by Congress over this type of business and its preferential rate treatment to large insured as against small insured because they think state authorities should seriously deliberate before perpetuating a condition Congress views as alarming. Opposing such preferential treatment, he thinks, align appellants on the side of preserving state regulation.

"The position of the New York superintendent in sponsoring and insisting on such preferential treatment for the big fellow against the little fellow is on the side of inviting federal regulation of the insurance business," he declared.

Mr. Newton had asked that the record in the present hearing, before decision is reached, be submitted to the appellate court where it might become a part of the Rice vs. Dineen case that grew out of the previous hearing by the department on the M.L. problem. Mr. McCullough objected because he wants the department official to decide this case first. He said the law puts the determination of fire rates on the insurance department, and it should meet its responsibility. If there is a decision in favor of appellants, there would be no reason for review by the appellate court, he added.

Abraham Kaplan, attorney for the New York Fire Insurance Rating Organization which filed the debit-credit plan, said that during the course of the hearing a number of attacks had been made on the N.Y.F.I.R.O. and on the fire business in general which he regards as unnecessary, unjustified and unfounded in fact. He considers it the duty of the rating organization to defend itself and the business.

Two Named Secretaries in West for Loyalty Group

W. J. Horan and H. K. Bollen, assistant secretaries of Loyalty group in the western department at Chicago, have been promoted to secretaries. Mr. Horan is in charge of the fire loss department, and Mr. Bollen is superintendent of the casualty-claims department.

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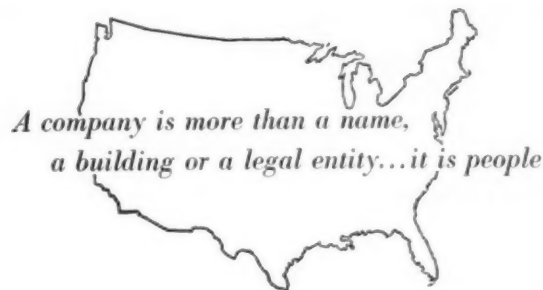
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A friendly property insurance company reports to the American people



Behind The Home's financial condition stand important human assets—the people who own this Company, the people who work with us and the people who are served by the Company.

The Home is owned by many people. It serves many people—in all walks of life, in all parts of the country, in many other parts of the world. You or your neighbor, whether a policyholder or a stockholder, or a prospective one, are important to The Home Insurance Company.

Through its more than forty thousand representatives, The Home Insurance Company is today the leading insurance protector of American homes and the homes of American industry. Its size and strength enable it to serve the smallest as well as the largest insurance need.

For almost a hundred years, The Home has stood between property owners and the risk of sudden financial loss. The homes and business futures which have been restored are beyond estimate. Since the founding of the Company, Home policyholders have been reimbursed for more than a billion and a half dollars in financial losses.

Because The Home's business is to protect property values in which so many people are concerned, and because the loss of such values would affect the economy of the country, this statement of The Home's financial condition may be of interest to the public.

Sincerely,

PRESIDENT

Balance Sheet

December 31, 1949

ADMITTED ASSETS

*DECEMBER 31,
1949

Cash in Office, Banks and Trust Companies	\$ 35,561,204.01
United States Government Bonds	110,418,558.10
Other Bonds and Stocks	143,358,542.85
Investment in The Home Indemnity Company	7,690,736.20
First Mortgage Loans	3,017.83
Real Estate	4,477,325.36
Agents' Balances, Less Than 90 Days Due	14,370,413.65
Reinsurance Recoverable on Paid Losses	374,237.35
Other Admitted Assets	1,891,094.14
Total Admitted Assets	\$318,145,129.49

LIABILITIES

Reserve for Unearned Premiums	\$146,128,831.00
Reserve for Losses	30,890,845.00
Reserve for Taxes	13,900,000.00
Liabilities Under Contracts with War Shipping Administration	1,608,917.08
Reinsurance Reserves	1,191,579.00
Other Liabilities	3,057,570.33
Total Liabilities Except Capital	\$196,777,742.41
Capital	\$ 20,000,000.00
Surplus	101,367,387.08
Surplus as Regards Policyholders	121,367,387.08
Total	\$318,145,129.49

*NOTES: Bonds carried at \$5,376,605.79 Amortized Value and Cash \$80,000.00 in the above balance sheet are deposited as required by law. All securities have been valued in accordance with the requirements of the National Association of Insurance Commissioners. Assets and Liabilities in Canada have been adjusted to the basis of the free rate of exchange. Based on December 31, 1949 market quotations for all bonds and stocks owned, the Total Admitted Assets would be increased to \$319,766,705.54 and the policyholders' surplus to \$122,988,963.13.

Directors

LEWIS L. CLARKE
Banker
CHARLES G. MEYER
The Cord Meyer
Company
WILLIAM L. DEBOST
Chairman,
Union Dime
Savings Bank
EDWIN A. BAYLES
Lawyer
GEORGE MCANENY
Vice Chairman,
Wills & Trust
Committee,
Title Guarantee &
Trust Company
GUY CARY
Lawyer
HAROLD V. SMITH
President
HARVEY D. GIBSON
President,
Manufacturers
Trust Company
FREDERICK B. ADAMS
Chairman of
Executive Committee,
Atlantic Coast Line
Railroad Co.

ROBERT W. DOWLING
President,
City Investing Co.
GEORGE GUND
President,
Cleveland Trust Co.
HAROLD H. HELM
President,
Chemical Bank &
Trust Co.
CHARLES A. LOUGHIN
Vice President &
General Counsel
IVAN ESCOTT
Vice President
C. STEVENSON NEWHALL
Chairman of Board,
Pennsylvania Co.
of Philadelphia
PERCY C. MADEIRA, JR.
President,
Land Title Bank
& Trust Co.
EARL G. HARRISON
Lawyer
CHAMPION McDOWELL DAVIS
President,
Atlantic Coast Line
Railroad Co.

WARREN S. JOHNSON
President,
Peoples Savings
Bank & Trust Co. of
Wilmington, N. C.
ROGER W. BABSON
Chairman of Board,
Babson's Reports, Inc.
ROBERT B. MEYER
The Cord Meyer
Company
HENRY C. BRUNIER
President,
Empire Trust
Company
HARRIN K. PARK
President &
Director,
First National Bank
of Columbus, Ga.
BOYKIN C. WRIGHT
Lawyer
LEROY A. LINCOLN
President,
Metropolitan Life
Insurance Company
THOMAS J. ROSS
Senior Partner,
Ivy Lee and T. J. Ross

★ THE HOME ★
Insurance Company

Home Office: 59 Maiden Lane, New York 8, N. Y.

FIRE • AUTOMOBILE • MARINE • PROPERTY INSURANCE

The Home Indemnity Company, an affiliate, writes Casualty Insurance, Fidelity and Surety Bonds



GENERAL TRANSPORTATION CASUALTY & SURETY COMPANY

A PARTICIPATING STOCK COMPANY

HOME OFFICE: 1790 BROADWAY, NEW YORK 19, N. Y.

Annual Financial Statement

DECEMBER 31, 1949

ADMITTED ASSETS

Cash on Hand and in Banks.....	\$ 1,021,618.35
*Government Bonds	9,166,467.88
Accrued Interest	35,661.66
Premiums in Course of Collection (Under 90 Days).....	663,849.80
Other Admitted Assets.....	10,917.14
Total	\$10,898,514.83

LIABILITIES

Reserve for Losses and Loss Expense.....	\$ 5,570,268.14
Reserve for Unearned Premiums.....	1,171,948.96
Reserve for All Other Liabilities.....	875,833.48
Capital	\$1,000,000.00
Surplus	2,280,464.25
Surplus to Policyholders.....	3,280,464.25
Total	\$10,898,514.83

*Amortized Value of Bonds.

Securities carried at \$437,093.96 in the above statement are deposited as required by law.

BRANCH OFFICES

CHICAGO
309 W. Jackson Blvd.
Chicago 6, Ill.

PHILADELPHIA
Public Ledger Building
Independence Square, Philadelphia 6, Pa.

NEWARK
Raymond Commerce Bldg.
Newark 2, N. J.

COMMISSION TO BROKERS